British policy towards Fascist Italy in the early stages of the Second World War.

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BRITISH POLICY TOWARDS FASCIST ITALY IN THE EARLY STAGES OF THE SECOND WORLD WAR

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ABSTRACT

The aim of this thesis is to examine the British Government's policy for dealing with Italy in the early stages of the Second World War, a period during which the Italians, though formally allied to Germany, remained aloof from the conflict.

This neutrality, or non-belligerence as Rome perhaps more accurately termed it, was considered advantageous to the Allied cause by London, so the general aim of British policy was to endeavour to maximize the prospects of Italy continuing not to fight on the German side.

The thesis traces the development of British policy for maintaining Italian neutrality from the start of the war through to Italy's intervention on Germany's side, examining political, economic, and military issues. As London effectively decided to base its policy to a large extent upon what Italian policy appeared to be, the thesis also examines British views of the situation in Italy and assesses their accuracy.

For most of the period under consideration, the British adopted a somewhat passive approach to the problem confronting them, avoiding vigorous efforts either to bribe or bully the Italian Government. Instead, they sought, through an attitude of goodwill and conciliation, to leave the way open for Italy to gravitate increasingly towards them as the widespread unpopularity of the German alliance in Italy, insensitive German behaviour, and the anticipated growth in Anglo-French military strength *vis-à-vis* Germany as the war progressed hopefully weakened the Axis. When it became apparent in early 1940 that this was not working, policy towards Italy was reconsidered and a slightly more active approach adopted, some effort being made both to intimidate and bribe Rome into remaining aloof from the conflict. In the face of Germany's spectacular success on the Western Front, however, all efforts to prevent Italy from entering the war failed.

CONTENTS

ACKNOWLEDGEMENTS

I would like to acknowledge the contribution of the many people who have helped me to produce this thesis. My thanks go to all the staff of the various archives and libraries I worked in, to Professor Brian Bond, Professor MacGregor Knox and Dr. Robert Mallett for discussing aspects of my work with me, to Professor Mike Dockrill for casting his judicious eye over my thesis, and, above all, to Dr. Andrew Lambert for his skilful supervision and guidance from start to finish. Finally, I would like to acknowledge the invaluable support of my friends and family.

FOREWORD

The strategic and diplomatic predicament in which Britain found itself in the late 1930s and early 1940s and its government's efforts to resolve it have attracted a great deal of interest and comment in the decades since. Hitherto, by far the greatest attention has been focused upon Britain's relations with and strategy towards Germany, and this is to a large extent understandable, for the Third Reich undoubtedly provided the most menacing challenge to British interests, a fact of which statesmen and strategic planners of the period were keenly aware. However, the Germanocentric nature of the bulk of research into British policy at this time distorts our understanding of Britain's problems by excluding or pushing to the margins London's relations with and strategy towards its two other major adversaries of the age, Japan and Italy.

This study is a contribution towards redressing the balance. By focusing upon British policy towards Italy in the early stages of the Second World War, I hope to draw attention to an area which has thus far been surprisingly understudied by the historical community at large, and also to shed fresh light upon the wider issues of Britain's predicament in this period and its efforts to come to terms with it.

As alluded to above, the amount of research hitherto undertaken into British policy towards Germany in the late 1930s and early 1940s far outweighs that done on policy towards Italy. For the period up to the outbreak of war in September 1939, however, there is a reasonable corpus of material on London's policy towards Rome. Much of this is to be found in books on the build-up to the start of the Second World War in general, such as Charmley's Chamberlain and the Lost Peace[1] or Taylor's classic Origins of the Second World War, but a handful of books and articles have addressed the issue more specifically. The most recent such work is Richard

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[1]For full details of works referred to in the foreword, see the bibliography.

Lamb's Mussolini and the British, but this is unfortunately a deeply flawed piece in which scant evidence is provided for many arguments put forward by the author. More reliable, though with its focus more on strategy than diplomacy, is Lawrence Pratt's East of Malta, West of Suez: Britain's Mediterranean crisis, 1936-1939, and the final major work which adopts British policy towards Italy in the late 1930s as its chief theme, a thesis by Paul Stafford entitled Italy in Anglo-French Strategy and Diplomacy, October 1938-September 1939, complements and expands upon Pratt's earlier research. Also worth a mention, though less important than the major works referred to above, if only due to the fact that they are much shorter, are articles on Anglo-Franco-Italian relations in the late 1930s by P. Renouvin and D.C Watt published in Les Relations Franco-Britanniques de 1935 a 1939.

If British policy towards Italy in the late 1930s has received at least a tolerable amount of attention, however, London's efforts to deal with Italian non-belligerence during the early phase of the Second World War has never before been examined in any real depth. It is certainly touched upon, to a greater or lesser extent, in works on Italian foreign policy during the non-belligerence period, of which the best is MacGregor Knox's Mussolini Unleashed,[1] but the prime concern of these studies is naturally Rome rather than London. Some information can also be gleaned from biographies of British individuals involved in policymaking at this time, but the only one worthy of particular note is Professional Diplomat, the biography of Sir Percy Loraine, British ambassador in Rome, by Gordon Waterfield. Insofar as attention has been given directly to the issue of British policy towards Italy in the early phase of the Second World War, the body of work to date is very limited. Some of the British official histories

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[1]The other main works which cover Italian policy during the non-belligerence period in any detail are Renzo De Felice's Mussolini il Duce - Vol. 2, Mussolini's Roman Empire by Denis Mack Smith, and Rosaria Quartararo's, Roma tra Londra e Berlino.

of the war address policy towards Rome,[1] but in no great detail and without very much analysis. Beyond these, there are a few thousand words in Lamb's rather unsatisfactory Mussolini and the British and some consideration of British policy towards Italy in the opening few weeks of the war in Stafford's thesis. Finally, there are a handful of articles. Most of these give only an outline of the issue,[2] but one, Robert Mallett's 'The Anglo-Italian War Trade Negotiations, Contraband Control and the Failure to Appease Mussolini, 1939-40' in Diplomacy and Statecraft, Vol. 8 (1997), provides a more detailed, though by no means definitive, account of one aspect of British policy.

Thus the need for a comprehensive and wide-ranging analysis of London's policy towards Italy during that country's period of non-belligerence in the early stages of the Second World War is apparent, and it is the chief purpose of this thesis to meet that requirement.

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[1]See Woodward, British Foreign Policy in the Second World War - Vol. 1, Medlicott, The Economic Blockade - Vol. 1, Playfair, The Mediterranean and Middle East - Vol. 1, and Butler, Grand Strategy - Vol. 2.

[2]See Deakin, W., 'Les Relations Franco-Anglaises et le Problème de la Neutralité Italienne (Septembre 1939-Juin 1940)', and d'Hoop, J-M., 'La Coopération Franco-Britannique devant le Probleme Italien', in Français et Britanniques dans la Drôle de Guerre, and Woolf, S.J., 'Inghilterra, Francia e Italia: Settembre 1939-giugno 1940' in Rivista di Storia Contemporanea, Vol. 3 (1972).

ABBREVIATIONS

AA	Anti-Aircraft
ADM	Admiralty
AIR	Air Ministry
AOC	Air Officer Commanding
BIY	Borthwick Institute, York
BL	British Library, London
BLO	Bodleian Library, Oxford
BUL	Birmingham University Library
CACC	Churchill Archive Centre, Cambridge
CAS	Chief of the Air Staff
CID	Committee of Imperial Defence
CIGS	Chief of the Imperial General Staff
C-in-C	Commander-in-Chief
COS	Chiefs of Staff (committee)
Cunn.	Viscount Cunningham papers
DBFP	Documents on British Foreign Policy
DCOS	Deputy Chiefs of Staff (committee)
DDI	Documenti Diplomatici Italiani
DGFP	Documents on German Foreign Policy
FO	Foreign Office
GOC	General Officer Commanding
Hick.	Hickleton papers (papers of Lord Halifax)
JIC	Joint Intelligence Committee
JPC	Joint Planning Committee
MEJPS	Middle East Joint Planning Staff
MEW	Ministry of Economic Warfare
NC	Neville Chamberlain papers
NMM	National Maritime Museum, Greenwich
ODC	Oversea Defence Committee
PMR	Permanent Military Representative(s)
PPS	Principal Private Secretary
PRO	Public Record Office, Kew
RAB	R.A. Butler papers
RAFMH	Royal Air Force Museum, Hendon
SWC	Supreme War Council
TCLC	Trinity College Library, Cambridge
VNST	Sir Robert Vansittart papers
WO	War Office

KEY POLITICAL, DIPLOMATIC & MILITARY OFFICE HOLDERS, 1939-40

BRITISH
*= member of Chamberlain's War Cabinet
#= member of Churchill's War Cabinet

HEAD OF STATE: King George VI

PRIME MINISTER: Neville Chamberlain (to 5/40)*
Winston S. Churchill #

FOREIGN SECRETARY: Lord Halifax * #

PARLIAMENTARY UNDER SECRETARY AT FO: Richard A. Butler

CHIEF DIPLOMATIC ADVISOR: Sir Robert Vansittart

PERMANENT UNDER SECRETARY AT FO: Sir Alexander Cadogan

DEPUTY UNDER SECRETARY AT FO: Sir Orme Sargent

HEAD OF SOUTHERN DEPARTMENT OF FO: Philip Nichols

CLERK AT SOUTHERN DEPARTMENT OF FO: Sir Andrew Noble (to 4/40)
Sir Pierson Dixon

HM AMBASSADOR, ROME: Sir Percy Loraine

HM CHARGE D'AFFAIRES, ROME: Sir Noel Charles

HM REPRESENTATIVE TO THE HOLY SEE: D'Arcy Osborne

HM AMBASSADOR, PARIS: Sir Eric Phipps (to 9/39)
Sir Ronald Campbell

CHANCELLOR OF THE EXCHEQUER: Sir John Simon (to 5/40)*
Sir Kingsley Wood

MEMBER OF TREASURY RESPONSIBLE FOR ITALY: Edward Playfair

MINISTER OF ECONOMIC WARFARE: Ronald Cross (to 5/40)
Hugh Dalton

MEMBER OF MEW RESPONSIBLE FOR ITALY: Francis Rodd

HEAD OF BRITISH DELEGATION TO THE ANGLO-ITALIAN JOINT STANDING COMMITTEE: Sir Wilfred Greene

LORD PRIVY SEAL: Sir Samuel Hoare (to 4/40)*
Sir Kingsley Wood (to 5/40)*
Clement Attlee #

LORD PRESIDENT OF THE COUNCIL: Earl Stanhope (to 5/40)
Neville Chamberlain #

MINISTER WITHOUT PORTFOLIO: Lord Hankey (to 5/40)*
Arthur Greenwood #

MINISTER FOR COORDINATION OF DEFENCE: Lord Chatfield(to 4/40)*

FIRST LORD OF THE ADMIRALTY: Winston S. Churchill (to 5/40)*
Albert Alexander

WAR MINISTER: Leslie Hore-Belisha (to 1/40)*
Oliver Stanley (to 5/40)*
Anthony Eden

AIR MINISTER: Sir Kingsley Wood (to 4/40)*
Sir Samuel Hoare (to 5/40)*
Sir Archibald Sinclair

FIRST SEA LORD: Sir Dudley Pound

CIGS: Sir Edmund Ironside (to 5/40)
Sir John Dill

CAS: Sir Cyril Newall

C-in-C MEDITERRANEAN FLEET: Sir Andrew Cunningham

GOC-in-C MIDDLE EAST: Sir Archibald Wavell

AOC-in-C MIDDLE EAST: Sir William Mitchell (to 5/40)
Arthur Longmore

ITALIAN

HEAD OF STATE: King Victor Emmanuel III

THE DUCE: Benito Mussolini

FOREIGN MINISTER: Count Galeazzo Ciano

CHIEF OF GENERAL STAFF OF THE ARMED FORCES: Pietro Badoglio

AMBASSADOR, LONDON: Giuseppe Bastianini

AMBASSADOR, PARIS: Raffaele Guariglia

FRENCH

HEAD OF STATE: President Albert Lebrun

PRIME MINISTER: Edouard Daladier (to 3/40)
Paul Reynaud

FOREIGN MINISTER: Georges Bonnet (to 9/39)
Edouard Daladier (to 3/40)
Paul Reynaud (to 5/40)
Edouard Daladier (to 6/40)
Paul Reynaud

SECRETARY-GENERAL AT FOREIGN MINISTRY: Alexis Léger (to 5/40)
Francois Charles-Roux

AMBASSADOR, ROME: André François-Poncet

AMBASSADOR, LONDON: Charles Corbin

C-IN-C ARMED FORCES: Maurice Gamelin (to 5/40)
Maxime Weygand

CHRONOLOGICAL LIST OF KEY EVENTS 1939-40

1939

Sep.	1	German forces invade Poland
	1	Italy declares its non-belligerence
	3	Declarations of war by Britain and France
	4	Japan promises to keep out of war in Europe
	17	Soviet Union invades Poland
	27	Fall of Warsaw
Oct.	6	Hitler gives speech in Reichstag calling for peace
	19	Anglo-French Treaty of Mutual Assistance with Turkey signed at Ankara
	31	Mussolini reshuffles his cabinet
Nov.	28	King George VI approves War Cabinet decision to introduce enemy export control
	30	USSR invades Finland
Dec.	7	Fascist Grand Council reaffirms alliance with Germany and Italian non-belligerence
	14	League of Nations expels USSR
	16	Ciano addresses Italy's Chamber of Deputies

1940

Jan.	10	Enemy export control begins in Mediterranean
	10	Belgians capture German plans for assault on the West
	15	British War Cabinet approves plan for large reserves in Middle East
	16	Hitler cancels plans for assault on West
Feb.	5	SWC decides to prepare a force of 3-4 divisions for deployment to Scandinavia to seize Swedish orefields
	8	Mussolini bans sale of Italian armaments to Britain
	24	Italo-German trade agreement signed
Mar.	1	Stoppage of seaborne German coal supplies begins
	10	Ribbentrop arrives in Rome for talks with Mussolini
	13	Finland capitulates to USSR, resulting in postponement of Allied plan to deploy 3-4 divisions to Scandinavia
	18	Hitler and Mussolini meet at the Brenner
	20	Daladier resigns as French Prime Minister and is replaced by Reynaud
	28	SWC resolves that any armistice or peace must be mutual
Apr.	3	War Cabinet accepts Churchill's plan to mine Norwegian waters in order to cut iron ore supplies to Germany
	8	Royal Navy starts minelaying operation off Norway
	9	Germany invades Denmark and Norway
	10	Denmark capitulates
	14	First Allied forces land in Norway

May	3	Allies evacuate central and southern Norway
	10	Germany launches assault in the West
	10	Chamberlain resigns as Prime Minister and is replaced by Churchill
	13	Germans cross the Meuse at Sedan
	15	Germans break out from bridgehead across the Meuse Holland capitulates
	20	German forces reach the Channel
	20	Weygand replaces Gamelin as French C-in-C
	25	Germans capture Boulogne forcing Allied forces in north to fall back on Dunkirk
	26	Beginning of evacuation from Dunkirk
	28	Belgium capitulates
	28	Mussolini breaks off all negotiations with Allies and Ciano informs Allies that Italy will enter war shortly
June	4	Completion of evacuation from Dunkirk
	4	Beginning of evacuation from northern Norway
	9	Norway capitulates
	10	Italy declares war on Allies
	14	Fall of Paris
	17	French Government asks Germans for an armistice
	22	Franco-German armistice
	24	Franco-Italian armistice

NOTE ON THE BRITISH AND ITALIAN POLICYMAKING STRUCTURES

Britain

As the Committee of Imperial Defence (CID), a body made up of the most senior Cabinet ministers and military advisors which had been responsible during the inter-war period for the strategic and operational direction of the armed forces, was dissolved by the Prime Minister on 1 September 1939, the supreme British policymaking unit during the period covered by this thesis was the War Cabinet. As established by Chamberlain on 3 September 1939, it consisted of nine members: the Prime Minister, the Chancellor of the Exchequer, the Foreign Secretary, the Lord Privy Seal, the War Minister, the First Lord of the Admiralty, the Air Minister, the Minister for Coordination of Defence, and a Minister without Portfolio. The Chiefs of Staff (COS) were also generally present at meetings of Chamberlain's War Cabinet.

When Churchill became Prime Minister in May 1940, he endeavoured to slim the body down and, for the opening weeks of his premiership, ultimate responsibility for British policy rested with an inner circle made up of Churchill himself, Chamberlain (now Lord President of the Council), Halifax (still Foreign Secretary), and, representing the Labour Party in the new National administration, Attlee (Lord Privy Seal) and Greenwood (Minister without Portfolio).

The most important permanent body beneath the War Cabinet was the COS committee, which met almost every day and advised the War Cabinet on military issues. The COS themselves received advice from a variety of committees, including the Joint Planning Committee (JPC), the Deputy Chiefs of Staff (DCOS) committee, and the Joint Intelligence Committee (JIC). All three Services were represented on each of these committees.

Liaison with the French Government was effected at the highest level by the occasional meetings of the Supreme War Council (SWC). This was attended by the premiers of Britain and France and such other ministers and military leaders as each

side chose to bring. Although the decisions of the SWC carried great weight, they were always subject to the approval of the national cabinets. On a more regular basis, Anglo-French political liaison continued through normal diplomatic channels, but, for military affairs, a Permanent Military Representatives (PMR) committee was established in London, though with a purely advisory and consultative capacity.

Italy

The Italian policymaking structure was very different to that in Britain. As Italy was a dictatorship, policymaking centred on one man, the Duce. As well as being head of government, Mussolini held the portfolios in 1939-40 of all three Service ministries and of the Interior. The Foreign Ministry, however, was headed by Count Galeazzo Ciano, the Duce's son-in-law, and this made him the only man other than Mussolini who had any serious input into Italian foreign policy, though that input was most definitely subordinate to that of the Duce.

Despite his extremely strong position, Mussolini did have to take into account, to a greater or lesser extent, the opinions of certain groups and individuals in determining Italian policy. The most important of these, at least theoretically, was the Crown. Unlike the Fuehrer in Germany, the Duce was not the head of state, but merely the King's first minister. Victor Emmanuel III therefore not only commanded the first loyalty of the Italian armed forces, particularly the Army,[1] but retained sufficient constitutional power to restrict severely Mussolini's foreign policy options. Royal assent was required, for example, for any declaration of war.[2] As events turned out, the King showed little inclination to use his power to restrain the Duce, but the fact that he had such power meant that Mussolini had at least to consider the Crown's position in determining Italian policy.

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[1]Overy, R.J. & Wheatcroft, A., The Road to War (London, 1989), p.150.

[2]Mack Smith, D., Italy and its Monarchy (London, 1989), p.287.

Another group whose opinions the Duce had to consider was the armed forces, or, more specifically, their professional heads. Although he held all the Service portfolios, the general running of the armed forces was left to the under-secretaries of state, who were also the chiefs of staff (though from the end of October 1939, the position of under-secretary and chief of staff of the Army was divided between two men). These men, along with their superior, Marshal Badoglio, the Chief of General Staff of the Armed Forces, were responsible for advising the Duce on military matters and strategy, not that he always sought or heeded their advice. Given the executive power at their disposal, however, Mussolini could not afford to dismiss the views of the armed forces on the key issue of entry into the war lightly, and it is interesting to note that he only committed Italy to intervention when his military advisors finally gave their consent to it.

A third group whose views the Duce had to take into account was his fellow Fascists. Indeed, ultimate responsibility for Italian policy lay theoretically with the Fascist Grand Council, a body of senior Fascists that met intermittently to discuss key issues, but, as the Grand Council could only be called by Mussolini to debate an agenda of his choosing, it was effectively little more than a rubber stamp for policies already dictated by the Duce.[1] There were, of course, other means by which members of the Fascist Party could try to influence policy, such as through the tenure of ministerial posts or direct conversation with Mussolini, and there was a strong desire held by many Fascists for a foreign policy different than that favoured by the Duce, but, due to the cult of obedience to the leader inherent in Fascist ideology, which in many ways had made Mussolini more important to the Fascist Party than it was to him by the late 1930s, the probability was always that Fascists would fall into line behind their leader no matter what course he chose.[2]

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[1]Dear, I.C.B. (ed.), The Oxford Companion to the Second World War (Oxford, 1995), p.586.

[2]Gallo, M., Mussolini's Italy: Twenty years of the Fascist era (New York, 1973), p.312.

The Catholic Church was a further body which Mussolini had to consider in formulating policy. The Church retained a great deal of moral and spiritual influence amongst a still devoutly Catholic people, and a forceful stance by Pope Pius XII against Italian intervention in the war would undoubtedly have made it more difficult for the Duce to have dragged Italy in. However, although the Vatican opposed Italian intervention,[1] it never adopted a strong position on the issue and the limitations placed upon Mussolini's policy options by it were consequently much less severe than they might have been.

The final potential brake on the Duce was the Italian public, but after almost twenty years of Fascist indoctrination and subject to powerful instruments of repression and propaganda closely directed by Mussolini himself, there was always a good chance that it could be made to obey its dictator's will, at least in the absence of any major figure standing up to the Duce and offering the people an alternative. The possibility of a popular revolt against a widely unpopular development in Italian foreign policy could not be entirely ruled out by Mussolini, however, and so the state of public opinion had at least to be considered before any drastic action was taken.

Thus, although Mussolini was not able to determine Italian policy untrammelled, his was the will shaping the general thrust of that policy, with other individuals and groups only acting generally as factors to be taken into account, to varying degrees, in his deliberations. Obviously, because of the myriad demands imposed by the centralisation of power upon himself, the Duce was unable to take every decision involved in Italian policy, and this gave others, most notably Ciano, the ability to influence it to a greater or lesser extent at differing times. In the final analysis, however, the guiding

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[1]Knox, M., Mussolini Unleashed, 1939-1941 (Cambridge, 1982), p.11.

spirit and force behind all major policy decisions was undoubtedly Mussolini.[1]

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[1]See, for example, the comment of Gianluca André in 'La Politica Estera del Governo Fascista Durante la Seconda Guerra Mondiale' in De Felice, R. (ed.), L'Italia fra Tedeschi e Alleati: La politica estera fascista e la seconda guerra mondiale (Bologna, 1973), p.115, that, 'in Italy, decisions in foreign policy were taken by Mussolini...the only will that really counted was his' ('*in Italia, le decisioni di politica estera le prende Mussolini...l'unica volontà che veramente conta è la sua*').

CHAPTER ONE - BRITAIN AND ITALY TO SEPTEMBER 1939

Britain and the Aims of Italian Foreign Policy

The roots of the war that raged between Britain and Italy from 1940 to 1943 go back to the nineteenth century. The chief objective of Italian foreign policy from unification through to the early 1940s was to make Italy a Great Power.[1] To achieve this, and to absorb Italy's rapidly expanding population, most of which was being 'lost' in the late nineteenth and early twentieth centuries to the Americas, Italians generally agreed that they must build an empire.[2] By the early 1920s, some advances had been made towards this, most notably with the capture from the Ottomans of Libya and the Dodecanese Islands, but Italy's humiliation at Adowa in 1896, at the hands of an Abyssinian army whose country Rome was seeking to annex, and the poor showing of the Italian armed forces in the Great War made it painfully clear that Italy did not yet truly rank amongst the Great Powers.

Perhaps the most vivid demonstration of Italy's failure to become a true Great Power, however, was its treatment at the peace conferences following the end of the First World War. In order to secure Italian participation on their side during the conflict, Britain and France had promised Rome a series of territorial concessions at the expense of Austria-Hungary. Although the most important of these, cession of Trentino, was fulfilled, others, in particular the cession of most of Dalmatia, were not. This infuriated most Italians, who felt that they deserved the full reward promised them for contributing to the defeat of the Central Powers, especially when their erstwhile allies, the British and French, expanded their empires at the expense of the Ottomans and Germans.

The 'mutilated peace', as it was termed, not only estranged Italy from Britain and France, but contributed to the rise to

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[1]Mack Smith, D., Italy: A modern history, 2nd edn. (Michigan, 1969), pp.119-20.

[2]Overy & Wheatcroft, p.144.

power of Benito Mussolini and the Fascist Party. This was of profound significance for the future of Anglo-Italian relations, for Mussolini and the Fascists, even more than any of unified Italy's previous governments, were committed to a comprehensive programme of imperial expansion.[1] In the wake of the First World War, the leader of Fascism became utterly convinced of Italy's right to both predominance in the Mediterranean and an empire to absorb its expanding population.[2] He also readily adopted from Liberal Italy the goal of political primacy in the Balkans and claims against France over the status of Corsica, Tunis, Nice and Savoy based upon the sizeable Italian-speaking minorities living in those areas.[3] Perhaps his key objective in foreign policy, though, was free access to the oceans. As he explained to the Fascist Grand Council in February 1939, in the nearest thing we have to a Mussolinian *Mein Kampf*, to be truly independent, a nation must have free access to the oceans, yet Italy did not and so was a prisoner in the Mediterranean. The bars of its prison were Corsica, Tunis, Malta and Cyprus, and the guards, Suez and Gibraltar. Italy's task was to break the bars of the prison and then march to the oceans.[4] Only by so doing would Italy have a real opportunity to take its place amongst the Great Powers, for through their control of the eastern and western exits from the Mediterranean, Britain and France had the ability to sever at a stroke well over half of all Italy's imports.[5] It was therefore the need 'to resolve the problem

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[1]Overy & Wheatcroft, pp.149-50.

[2]Knox, M., 'Conquest, Foreign and Domestic, in Fascist Italy and Nazi Germany' in Journal of Modern History, Vol. 56 (1984), pp.17-19.

[3]Mack Smith, D., Mussolini's Roman Empire (London, 1976), pp.5, 51.

[4]Knox, Mussolini Unleashed, p.40.

[5]Monroe, E., The Mediterranean in Politics (London, 1938), p.170.

of its maritime frontiers' that Mussolini singled out in June 1940 as the prime reason why Italy was entering the war.[1]

The foreign policy aims of Fascism thus encroached directly upon British interests, for some of the key targets of Italian imperial expansion, such as Malta, Cyprus, Gibraltar and Egypt, were part of the British Empire. None of these was of any great economic value to Britain, unlike India and the territories of the Far East,[2] but strategically they were vital. First, they guarded the shortest and quickest route between the home islands and the East. Although Britain could always fall back on the route round the Cape of Good Hope should the one via Suez be closed, this added dramatically to the distance ships plying between east and west had to travel,[3] and so was much inferior both economically and strategically. Second, the ability to control ingress and egress to the inland sea from west and east, and to maintain a strong naval presence in the region was considered crucial for the effectiveness of any future blockade of a European power in the event of war, a major consideration given the importance traditionally attached by the British to economic warfare.[4] Finally, possession of Gibraltar gave strategic cover to Britain's vital lines of communication across the Atlantic whilst the British presence in the eastern Mediterranean protected both the oil reserves of the Middle East and the land route to India. London thus had no intention of yielding its position in the Mediterranean and Middle East, a stance which made Britain an obstacle to the fulfilment of Mussolini's aspirations.

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[1]As cited in Burgwyn, H.J., Italian Foreign Policy in the Interwar Period 1918-1940 (Westport, 1997), p.216.

[2]Pratt, L.R., East of Malta, West of Suez: Britain's Mediterranean crisis, 1936-1939 (Cambridge, 1975), p.13.

[3]See the figures in Monroe, p.11.

[4]Monroe, p.9.

Fascist Italy Amongst the European Great Powers: to early 1936

Despite the obvious clash of interests between Mussolini's Italy and Britain, the threat from Rome was given very limited consideration in London before the mid 1930s. Indeed, Italy was regarded in 1934 as as unlikely an opponent for Britain in the near future as France or the United States.[1] Nor was this an entirely unreasonable assumption, for there was little indication before the mid Thirties that Rome would or could mount a challenge to British interests that was any more serious than ineffectual propaganda aimed at undermining Anglo-French influence in the Middle East or similarly ineffective financial support for nationalist movements in the region and Italian irredentists in Corsica, Tunisia and Malta.[2]

Italy's relative quiescence in the 1920s and early 1930s is easily explained. So long as the French military remained dominant on the Continent and Britain was able to concentrate the bulk of its fleet, should it require, in the Mediterranean, Italy was in no position to achieve any of its major foreign policy objectives against the will of the more powerful western European democracies. By 1935, however, everything had changed. First, the rise of a Japanese threat to British interests in the East in the early Thirties had put a question mark over the Royal Navy's ability to dominate the Mediterranean as and when it chose. Then, even more importantly, the resurgence of an aggressive Germany under Adolf Hitler from 1933 both challenged France's military dominance in Europe and increased the strain on the British Navy further still. The balance of power and resources was beginning to shift against Britain and France, and this created a situation in which, although entirely confident of

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[1]Pratt, pp.15-18.

[2]Mack Smith, Mussolini's Roman Empire, pp.33-4, 89-90. Italian forces did occupy Corfu in 1923, of course, but Mussolini was persuaded to withdraw them swiftly by the British and French.

their ability to beat Italy in a straight fight,[1] the western European powers nevertheless had reason to fear a war in the Mediterranean, for anything but the quickest and easiest of conflicts in this region threatened to deprive them of valuable and scarce resources which they needed to guard against the more dangerous and important German and Japanese menaces.

Mussolini had realised since the early 1920s that an alliance with a resurgent Germany might open up possibilities for expansion in the face of western European opposition, and Hitler made it patently clear to the Duce within hours of coming to power that he foresaw a future in which Germany dominated northern and eastern Europe while Italy was predominant in the Mediterranean.[2] The Italian dictator was not yet ready to join with the Nazis, however, for two main reasons. First, German power in the early Thirties was more potential than actual. Second, and perhaps more important, Italy had reason to fear as well as welcome Germany's revival. The major achievement for Italy of the First World War had been to remove a Great Power from its northern frontier. Now, as the Fuehrer made no attempt to hide from Mussolini, the Germans wanted to effect an *Anschluss* with Austria. This would not only destroy the greatest advantage accruing to Italy from its victory in 1918, but would put the Third Reich in a position to dominate the Danube basin and all of South-East Europe, an area in which the Duce was determined Italian influence should be paramount.[3]

At first, Mussolini was not prepared to forsake Austrian independence. Indeed, he sent Italian troops to the border in July 1934 in a successful attempt to warn the Germans not to

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[1]See, for example, the comment of the First Sea Lord in 1935 that 'the final outcome of a conflict with Italy cannot be a matter of doubt' in Marder, A.J., 'The Royal Navy and the Ethiopian Crisis of 1935-6' in American Historical Review, Vol. 75 (1970), p.1338.

[2]Mack Smith, Mussolini's Roman Empire, pp.23, 48-9.

[3]Mack Smith, Mussolini's Roman Empire, p.45.

intervene in an effort by the Austrian Nazis to overthrow the government in Vienna and effect the *Anschluss*. This first attempt to absorb Austria within the Third Reich led to a severe deterioration in Italo-German relations and prompted Rome to pursue closer relations with the western European democracies. In January 1935, the Rome Agreements were concluded, apparently resolving long running points of dispute between France and Italy in North and East Africa, most notably the status of the large Italian minority in Tunisia which was to lose its special privileges and Italian nationality over a thirty year period.[1] This was followed up in April at a conference at Stresa at which the British, French and Italian governments committed themselves to preventing the *Anschluss*. Finally, and perhaps most significantly of all, in June 1935, Franco-Italian military talks took place and addressed the subjects of joint action against Germany should it attack not only Austria, but France or Italy as well.[2]

Whether this period of good relations between Rome and London and Paris could have continued had Mussolini not calculated that Anglo-French concern about a resurgent Germany would preclude any western European opposition to an Italian invasion of Abyssinia in autumn 1935, or had the western European powers not responded to the Italian aggression by leading the League of Nations in imposing limited economic sanctions on Italy in a half-hearted effort to enforce collective security, is open to debate. On the one hand, the Fascist Government's foreign policy objectives in the Mediterranean potentially set Italy at loggerheads with Britain and France long before the Abyssinian Crisis, and, indeed, when planning the war in East Africa, Mussolini had singled out Egypt, the Sudan and possibly Kenya as future

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[1]Renouvin, P., 'Les Relations de la Grande-Bretagne et de la France avec l'Italie en 1938-1939' in Les Relations Franco-Britanniques de 1935 à 1939 (Paris, 1975), p.296.

[2]Néré, J., The Foreign Policy of France from 1914 to 1945 (London, 1975), pp.153-4.

targets for Italian expansion.[1] However, on the other hand, the Duce had timed the Abyssinian campaign so that the bulk of the Italian Army would be back on the northern frontier before the German Army was likely to be strong enough to move against Austria.[2] There is thus some reason to believe, as indeed the German ambassador in Rome had darkly warned in the first half of 1935,[3] that if the western European democracies had acquiesced in a certain amount of Italian expansion in Africa, the Duce might have proved willing to work with rather than against the British and French in the interests of averting the *Anschluss*.

In the final analysis, however, it is impossible to predict with any degree of certainty how Italy's relations with the European Great Powers would have developed had history taken a different course. What can be asserted, though, is that the imposition of sanctions, even though deliberately limited by Britain and France so as to avoid a situation in which a serious threat to the ultimate success of Rome's campaign in East Africa would force the Italian Government to choose between surrender to the League and war against the western European powers,[4] infuriated Mussolini and shattered the Stresa Front. The Duce was appalled that Italy, a supposed Great Power, had been treated as a pariah nation and was disgusted that the western European democracies had supported Africans against Europeans. As Britain would clearly never willingly allow Italy to take its rightful place amongst the international elite, he raged that it must be destroyed.[5]

The door had clearly been opened to an Italo-German rapprochement, and Hitler lost little time in making sure that

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[1]Mack Smith, Mussolini's Roman Empire, p.69.

[2]Mack Smith, Mussolini's Roman Empire, p.60.

[3]Mack Smith, Mussolini's Roman Empire, p.62.

[4]Reynolds, P.A., British Foreign Policy in the Inter-War Years (London, 1954), p.119.

[5]Mack Smith, Mussolini's Roman Empire, p.71.

one took place. Not being a member of the League, Germany did not impose sanctions upon Italy but instead made generally sympathetic noises about the Italian aggression in East Africa. Indeed, the Germans provided material aid for Rome's war by making up the shortfall in coal supplies consequent upon the severing of the export of British coal to Italy due to sanctions.[1] As early as 1923, the British ambassador in Rome had warned the Foreign Office (FO) that 'Italy must inevitably gravitate towards the Power or group of Powers ready to assist her in the expansion towards which she must eventually be driven by irresistible force'.[2] The differing reaction of Germany and the western European powers to Italy's invasion of Abyssinia was therefore of profound significance, and, as a result of it, Italo-German relations improved dramatically following their nadir in the first half of 1935 so that, by January 1936, Mussolini informed Hitler that although he would not yet accept the *Anschluss*, he was prepared to see Austria become an area of German rather than Italian predominance.[3]

Fascist Italy Amongst the European Great Powers: to May 1939

From early 1936 through to the signature of a formal military alliance in May 1939, Italy moved ever closer, albeit tentatively at times, towards the Third Reich, a diplomatic development which, as one historian has recently illustrated, prompted and was mirrored by an evolution in Italian military planning that focused overwhelmingly upon preparing to fight a future war against one or both of the western European powers in conjunction with Germany.[4]

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[1]Barnett, C., The Collapse of British Power (London, 1972), p.379.

[2]As cited in Lamb, R., Mussolini and the British (London, 1997), p.80.

[3]Mack Smith, Mussolini's Roman Empire, p.91.

[4]Mallett R., The Italian Navy and Fascist Expansionism 1935-40 (London, 1998), *passim*.

An important factor in the development of closer ties between the regimes in Rome and Berlin was the reaction of the European Great Powers to the Spanish Civil War which erupted in July 1936. From September, both Mussolini and Hitler began to send aid to Franco's Nationalists and this strengthened the ideological link between the Fascist and Nazi regimes. Conversely, the French, who were petrified that a Nationalist victory would complete the encirclement of France by fascist powers, were inclined to give help, albeit tentative and intermittent, to the Republicans. The British, meanwhile, fearing that the ideological conflict in Iberia could spill over into a general European war, adopted a policy of non-intervention, but occasional attempts over the next three years to contain the civil war by limiting the intervention of others strained relations with Rome, though not so much as France's occasional efforts to aid the Republicans.[1]

Shortly after the two fascist dictators began to send aid to Franco, the Duce announced to the world the existence of the Axis, an informal union of the Italian and German states. As the Axis did not guarantee Italy German support, however, Mussolini was unwilling at this stage to alienate both the western European powers, and so decided to offer the prospect of better relations with Rome to one of them, a policy which might also serve to create friction between the democracy to which the offer was made and the one that was shown little sign of Italian goodwill. Given that the Popular Front which governed France for around two years from June 1936 was 'an electoral coalition forged in the flame of anti-fascism',[2] London was the obvious target for the offer of improved relations, and the Duce used the very same speech in which he proclaimed the existence of the Axis to announce his desire for 'a sincere, rapid and complete agreement' with Britain

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[1]Renouvin, 'Les Relations avec l'Italie', pp.296-7.

[2]Young, R.J., 'French Military Intelligence and the Franco-Italian Alliance, 1933-1939' in Historical Journal, Vol. 28 (1985), p.149.

'based on the recognition of reciprocal interests'.[1] The British responded positively to this and, in January 1937, the so-called 'Gentleman's Agreement', a statement of the two countries' intention to respect the status quo in the Mediterranean and Middle East, was signed. Rather than building upon this to improve Italo-British relations further, though, the Duce now sent large numbers of 'volunteers' to fight in Spain, intensified Radio Bari's campaign of anti-British propaganda in the Middle East, and encouraged the Italian press to adopt a strongly anti-British line.[2]

These actions reaffirmed the belief of Anthony Eden, the British Foreign Secretary, that Italy was fundamentally opposed to Britain,[3] and strengthened his conviction that Rome would only genuinely pursue a foreign policy that did not threaten British interests if Britain adopted a firm approach incorporating military deterrence in the Mediterranean.[4] Unfortunately for Eden, though, it had been decided as early as November 1935 that 'Our defence requirements are so serious that it would be materially impossible...to make additional provision for the case of a hostile Italy'.[5]

A tough line towards Italy did not thus seem very practicable, and when Neville Chamberlain acceded to the premiership in May 1937, he hoped, through a general policy of goodwill and minor concessions, particularly the granting of *de jure* recognition of Italian rule in Abyssinia, to effect a permanent

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[1]As cited in Gibbs, N.H., Grand Strategy - Vol. 1: Rearmament policy (London, 1976), pp.381-2.

[2]Lamb, Mussolini, pp.176-7.

[3]Dilks, D.N., 'British Reactions to Italian Empire-building, 1936-1939' in Serra, E. & Seton-Watson, C. (eds.), Italia e Inghilterra nell'Età dell'Imperialismo (Milan, 1990), p.173.

[4]Morewood, S., 'Anglo-Italian Rivalry in the Mediterranean and Middle East, 1935-1940' in Boyce, R. & Robertson, E.M. (eds.), Paths to War: New essays on the origins of the Second World War (New York, 1989), p.178.

[5]Gibbs, p.379.

rapprochement with Italy which might weaken, or even break, the Axis. The new Prime Minister therefore wrote to Mussolini at the end of July, expressing his willingness to 'enter upon conversations with a view to clarifying the whole situation and removing all causes of suspicion or misunderstanding',[1] and, to his delight, the Duce's reply was favourable. Eden's opposition to such talks and an ephemeral Italian submarine campaign against shipping in the Mediterranean were sufficient to put the brakes on for the moment, however, and Anglo-Italian conversations had yet to begin by the end of the year.[2]

By this time, London's chances of dragging Italy away from the Axis had become worse than ever. In September 1937, a visit to the Reich seems to have left Mussolini with a lasting impression of Nazi military might and convinced him that any revision of the status quo in Italy's favour would have to be achieved with Hitler and not against him.[3] Partly as a result of this, Italy joined Germany and Japan in the Anti-Comintern Pact in November and withdrew from the League of Nations a month later.

The key event in cementing the Axis, however, was the *Anschluss* in March 1938. Although Italian pique at Hitler's action, and Eden's resignation, led to discussions which resulted in the Anglo-Italian Agreement of April 1938, the centrepiece of which was an arrangement whereby Britain would recognise Italian rule in Abyssinia once Italy had withdrawn its forces from Spain,[4] the *Anschluss* did far more to strengthen than weaken Italo-German relations in the long run. Not only did it remove at a stroke the major reason Italy had had since 1933 for siding with the western European powers

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[1]As cited in Charmley, J., Chamberlain and the Lost Peace (London, 1989), p.24.

[2]Lamb, Mussolini, pp.182-7.

[3]Lowe C.J. & Marzari, F., Italian Foreign Policy 1870-1940 (London, 1975), p.301.

[4]Pratt, p.136.

against Hitler, but, by removing the buffer between Italy and the might of the Third Reich, it made good relations between Rome and Berlin more important than ever. Mussolini remained reluctant for the moment to conclude the formal military alliance the Germans now pressed him for, but this was principally because he was aware that Italy was not yet in any fit state to fight a major European war and feared that the signing of an alliance would encourage Hitler to pursue an even more aggressive foreign policy that was likely to bring one about.[1]

Events between mid 1938 and late spring 1939 saw the Duce move ever closer to a formal military alliance, however. In the wake of the Anglo-French capitulation at Munich, the British decided, in a somewhat desperate attempt to weaken the Axis, officially to recognise Italian rule in Abyssinia, despite the continued presence in Spain of large numbers of Italian troops, and followed this up by proposing that Chamberlain visit Rome. Although this latter proposal was accepted, a more accurate gauge of Italian policy at this time is provided by the fact that, even though the post-Popular Front government in Paris gave *de facto* recognition of Italian rule in Abyssinia in October,[2] the Duce launched a campaign towards the end of 1938 for political and territorial concessions from the French over Corsica, Nice, Savoy, the Suez Canal, Djibouti, and Tunisia.

The French Government's initial reaction to these Italian claims was a firm no. It was with Franco-Italian relations in a trough, therefore, that Chamberlain visited the Italian capital in January 1939 with Lord Halifax, the Foreign Secretary. The hearty reception the British entourage received, the desire Mussolini professed to have during talks for peace and armaments limitation, and the avoidance of

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[1]Lowe & Marzari, pp.319-20.

[2]Shorrock, W.I., From Ally to Enemy: The enigma of Fascist Italy in French diplomacy, 1920-1940 (Ohio, 1988), pp.235-6.

issues of great sensitivity in Anglo-Italian relations served to convince the Prime Minister and, to a lesser extent, the Foreign Secretary that the trip had been a great success.[1] The truth was rather different, however, for the Duce had been less than impressed with his visitors, concluding that they were 'the tired sons of a long line of rich men, and they will lose their empire'.[2]

The impression of democratic weakness in Rome can only have been further enhanced in the wake of the Chamberlain-Halifax visit, for, despite its initial firm stand on the question of Italy's claims, Paris showed signs that it did not completely rule negotiations out. A secret mission, headed by a French banker, Paul Baudouin, was despatched to Rome at the start of February to discover exactly what it was that Italy wanted from France. In conversation with Count Ciano, the Italian Foreign Minister and Mussolini's son-in-law, Baudouin was informed that Rome desired a free zone in Djibouti with dock facilities linking up to the Djibouti-Addis Ababa railway, the cession of French shares in the portion of that railway located within Abyssinia, several seats on the council of administration of the Suez Canal Company, and reaffirmation of the right of Italians in Tunisia to remain Italian subjects. It is difficult to say whether the French Government would have acted on this information, for Baudouin's mission was exposed in the French press shortly after it had taken place and the backlash amongst the public forced the French Prime Minister, Edouard Daladier, to disassociate his government from it.[3]

The annexation of the rump of Czechoslovakia in March 1939 provided yet another step towards a formal Italo-German alliance. Initially, Mussolini was infuriated by the action,

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[1]Stafford, P.R., 'The Chamberlain-Halifax Visit to Rome: A reappraisal' in English Historical Review, Vol. 98 (1983), pp.85-92.

[2]As cited in Charmley, Chamberlain, pp.157-8.

[3]Shorrock, pp.252-5.

as it destroyed the Munich settlement that he had received such praise for mediating. This pique did not last long, however, and the more enduring result of Hitler's aggression was further to convince the Duce of German might and the consequent need to work with rather than against it to achieve his foreign policy objectives.[1]

Chamberlain and the Foreign Office responded to this latest German aggression by strongly supporting those in France who favoured a conciliatory policy towards Rome, notably the arch-appeaser, Pierre Laval, and the similarly-minded Foreign Minister, Georges Bonnet, in urging Prime Minister Daladier to seek to open discussions with the Italians on their claims in the hope of effecting a rapprochement. The French Premier did not rule such discussions out, but, mindful of public opinion, he did make them contingent upon Italy making the first move, lest France be seen as weak or desperate. The Italians, however, were equally determined that the French should take the initiative in opening discussions for fear of upsetting Germany and lest Italy look weak. An unproductive impasse inevitably resulted.[2]

Despite the first sign of a tougher Anglo-French attitude towards Germany, in the form of the joint guarantee of Polish independence issued at the end of March, Mussolini felt emboldened enough to order Italian forces to invade Albania in early April. The western European powers responded by issuing a joint guarantee to Greece and making common efforts to secure a military alliance with Turkey. This, and the fact that the British and French had at last engaged in staff talks, finally convinced Mussolini of the need for a formal military alliance with Germany lest a general European war erupt without Italy having secured the German support it would

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[1]Overy & Wheatcroft, p.173.

[2]Shorrock, pp.257-62 & Watt, D.C., 'Britain, France and the Italian Problem, 1937-1939' in Les Relations Franco-Britanniques, pp.289-92.

so desperately require against the western European powers.[1] The result was the Pact of Steel, signed in Berlin on 22 May 1939, committing Italy and Germany to fight by each other's side in the event of a major European conflict brought about by any means. Italy's transition from partner to Britain and France against the *Anschluss* to enemy seemed to have been all but completed.

The Approach of War: summer 1939

Contrary to the impression it gave, the Pact of Steel was not intended as the signal for an imminent Axis war against the western European democracies. Indeed, although sloppy Italian diplomacy ensured that no formal guarantee was written into the pact itself, the Germans assented at the end of May to a plea from Mussolini that, as Italy was not yet ready for a general European conflict, no such clash should be provoked before 1942 at the earliest.[2] For both Berlin and Rome therefore, the alliance was primarily intended to reassure their own people that if a major European war did break out in the near future they would not be alone, and, by alarming London and Paris, to make such a war less likely. To be sure, the Italo-German agreements of May 1939 did imply that a war against the western European powers for predominance in Europe and the Mediterranean would be provoked once the Italians were ready for such a struggle, but, for the time being, a good deal of mistrust remained between the Germans and Italians which meant that they were not willing to work as closely together as were the British and French, and so avoided intimate military and diplomatic cooperation.[3]

To the western European powers, however, the conclusion of the Pact of Steel unsurprisingly seemed to indicate that Italy was now firmly entrenched in the German camp. Therefore, although

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[1]Lowe & Marzari, pp.320-1.

[2]Gilbert, F., 'Ciano and his Ambassadors' in Craig, G.A. & Gilbert, F. (eds.), The Diplomats 1919-1939 (Princeton, 1953), p.532.

[3]Mack Smith, Mussolini's Roman Empire, pp.166-8.

information reached Paris from certain Italian sources throughout the early summer that Rome remained willing to negotiate over its claims, the French Government had no inclination to explore the issue.[1] Any hope the British entertained of weakening the Axis through efforts to address Italy's claims was dealt a massive blow by the Italo-German pact too. Sir Percy Loraine, the new ambassador in Rome, advised when in London for consultations in June, for example, that 'the time was past when we could expect to wean Italy from her German partner, and...direct attempts to do so would fail and merely expose us to a check',[2] and Lord Halifax commented in early July that, 'Though Italian policy is of the weathercock variety, it can hardly be expected to veer round so suddenly'.[3]

Some in Britain, however, now latched on to the idea of political concessions as an inducement to Mussolini to restrain Hitler in regard to the Danzig Crisis. Despite his assurances to the Duce at the end of May that Germany would not provoke a war with Britain and France before 1942, Hitler increased the pressure on Warsaw to cede Danzig and the Polish Corridor to the Reich in the wake of the Pact of Steel. Chamberlain, eager to resolve the crisis without recourse to war, therefore urged his French counterpart in mid July to offer Mussolini political concessions in return for him using his influence with the Fuehrer to temper German policy. Daladier's reply was unequivocal. Not only did he reiterate his opposition to making concessions to Italy in the hope of breaking, or at least weakening, the Axis, on the basis that Italy was now too firmly tied to Germany and was committed to a programme of maximum expansion in the Mediterranean, but he also pointed out that reports coming into Paris suggested that

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[1]Shorrock, pp.269, 266.

[2]PRO FO 1011/66, Loraine to Halifax, 21 July 1939, p.4.

[3]PRO FO 800/319, H/XIX/47, Halifax to Runciman, 3 July 1939.

the Duce was desperate to avoid a general European war and was therefore already trying to restrain Hitler anyway.[1]

Indeed, Chamberlain's plea to Daladier notwithstanding, the Italians' keen desire that a general European war should not break out over Poland was becoming clear in London too by mid summer. The British were aware of serious Italian military deficiencies which militated against engaging in a major conflict with the western European powers,[2] and Loraine wrote in late June of Rome's clear wish for 'a period of recuperation...without risking hostilities'.[3] Even more explicitly, Sir Robert Vansittart, Britain's Chief Diplomatic Advisor, informed Halifax at the same time that he had been told by a 'quite certain source' that Mussolini wanted to avoid war and was trying to get the Germans to put it off for a year.[4]

As Europe moved closer to war throughout the summer, Rome's extreme discomfort at the prospect of a major conflict erupting over Poland became ever clearer. The distinct possibility of Italy being dragged into a war for which it was not prepared forced the Duce's military advisors to drop the deceit and bluff with which they habitually concealed Italian weakness from him and to make it clear to him just how unready the armed forces were for a major conflict.[5] Mussolini was

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[1]Shorrock, p.270 & Du Réau, E., Edouard Daladier 1884-1970 (Paris, 1993), p.334. For the text of Chamberlain's letter to Daladier and the reply, see DBFP, 3rd Series, Vol. VI, Nos. 317 & 428, Chamberlain to Daladier & reply, 13 & 24 July 1939, pp.350-2, 471-4.

[2]See, for example, the comments of the British military attaché in Rome upon returning from a tour of Libya in PRO FO 1011/204, Loraine to Sargent, 5 June 1939, p.2.

[3]PRO FO 1011/205, Loraine to Smart, 22 June 1939, p.2.

[4]PRO FO 800/319, H/XIX/46, Vansittart to Halifax, 23 June 1939.

[5]Mack Smith, Mussolini's Roman Empire, pp.194-5. For example, the Army's armoured divisions were made up of armoured cars rather than tanks, it only had 1.3 million rifles, most of which dated from the nineteenth century, there was an almost total absence of AA guns, and the bulk

clearly shaken by these stark revelations, for, convinced that a war over Poland could not be localised, he responded to them by despatching Ciano to Salzburg in early August to insist to the Germans that all military action be avoided and that a negotiated settlement via a European conference be sought.[1]

Ciano duly met Hitler and Ribbentrop, the Nazi Foreign Minister, between 11-13 August, but was abruptly informed that Germany would invade Poland in the coming weeks. The Italian protested, but this was met by glib assurances that the British and French would not fight for Danzig and the suggestion that Italy should exploit the German action by annexing Croatia and Dalmatia at the same time as the *Wehrmacht* attacked Poland.[2] Ciano was angry at both the glibness with which his objections had been dismissed and the arrogance and insensitivity which the Germans had shown in failing even to consult Rome before taking the decision to invade Poland. When, therefore, the Nazis unilaterally released a press statement after the meetings falsely claiming that Italy agreed entirely with German policy and was ready to stand by the Reich come what may, the Italian Foreign Minister erupted.[3] Hitherto, a strong advocate of close Italo-German relations,[4] Ciano raged on 13 August that he was 'completely disgusted with the Germans, with their leader, with their way of doing things', and, the next day, not only thundered that the Germans 'are traitors and we must not have any scruples in

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of the Army's other artillery was of Great War vintage. The Italian Air Force had far fewer planes than propaganda claimed, and nearly all of them were obsolescent, while the Navy had fast, but poorly armoured ships, outmoded, vulnerable submarines, and no aircraft carriers (*ibid.*, pp.171-3, 177-80).

[1]Lamb, Mussolini, p.253.

[2]Ciano, Count G., Ciano's Diplomatic Papers, ed. M. Muggeridge (London, 1948), records of conversations with Ribbentrop & Hitler, 11-13 August 1939, pp.297-304 & Lowe & Marzari, pp.337-9.

[3]Lowe & Marzari, pp.339-40.

[4]Mack Smith, Mussolini's Roman Empire, p.140.

ditching them', but pledged himself to do all in his power to convince Mussolini to abandon the Axis.[1]

Unfortunately, the Duce did not react to German arrogance and insensitivity in the same way as his son-in-law. He was torn by the revelation that there would be a war between the logic of staying out of it, due to Italy's military unpreparedness, and his desire to join in, in the hope of seizing some spoils while Germany bore the brunt of fighting the British and French.[2] After much agonizing, logic prevailed, and Mussolini informed Hitler that, 'If Germany invades Poland and Poland's allies attack Germany, I do not propose myself to take any military action' unless 'Germany at once provides us with the arms and raw materials to withstand the attack which the British and French will direct primarily against us'. Hitler asked for a list of Italian requirements, but what he was sent was an inventory calculated to be well in excess of what could be spared from German stocks.[3] When this was confirmed on 26 August, the Duce at last reluctantly accepted that Italy would not be taking part in the imminent war, in the near future at least.[4]

In London, meanwhile, the likelihood of Italy reneging on the Pact of Steel and remaining aloof from an Anglo-French war with Germany had become patently clear by late August. Loraine reported on 20 August that he sensed that 'in Italy the feeling against being dragged into war is stronger than ever and is spreading even to high placed pro-German Fascists', and on the 23rd went so far as to state that he was 'now confident that Italy will not join with Germany if Herr

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[1]Ciano, Count G., Ciano's Diary 1939-1943, ed. M. Muggeridge (London, 1947), 13-14 August 1939, pp.125-6. For the authenticity and reliability of this most important source, see Knox, Mussolini Unleashed, pp.291-2.

[2]Ciano, Diary, 13-26 August 1939, pp.125-36.

[3]PRO CAB 146/1, 'Axis Plans and Operations in the Mediterranean: September 1939-February 1941', March 1950, Part I, pp.4-5.

[4]Ciano, Diary, 26 August 1939, pp.135-6.

Hitler makes war' and advised that military preparations be made on the assumption that the Italians would not fight.[1] Oliver Harvey of the FO was clearly impressed by Sir Percy's bold comments, noting in his diary that evening that there was 'No doubt of reluctance of Italians to fight',[2] as was the Prime Minister, who commented in a letter to his sisters on 27 August that 'we may be fairly certain now that...Italy will not come in if Hitler goes to war over Poland'.[3] The most convincing evidence of Italy's desire to avoid war, however, came at the very end of August. On the eve of the invasion of Poland, the Duce, in order to appease Hitler, initiated warlike preparations, such as blackouts, so as to leave the democracies guessing as to Italian intentions and thereby wrong-foot them. This backfired, though, for the British responded by cutting all telephonic communications with Italy, convincing Ciano that an Anglo-French attack was imminent. Mussolini was similarly perturbed and lost his nerve, ordering his Foreign Minister to inform Loraine at once of Italy's intention to stay out of the forthcoming conflict, some fifteen hours ahead of the formal announcement of non-belligerence.[4]

In spite of the German invasion of Poland in the morning of 1 September and the perhaps somewhat premature Italian declaration of non-belligerence that afternoon, the western European democracies did not declare war on Germany until two days later, and this was largely due to a last ditch attempt by Rome to avert a major European conflict. Mussolini was bitterly unhappy at the prospect of having to renege on the

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[1]DBFP, 3rd Series, Vol. VII, Nos. 86 & 173, Loraine to Halifax, 20 & 23 August 1939, pp.84, 147-8.

[2]Harvey, O., The Diplomatic Diaries of Oliver Harvey 1937-1940, ed. J. Harvey (London, 1970), 23 August 1939, p.304.

[3]BUL NC 18/1/1115, Neville to Hilda Chamberlain, 27 August 1939, f.4.

[4]Waterfield, G., Professional Diplomat: Sir Percy Loraine of Kirkharle Bt., 1880-1961 (London, 1973), pp.242-5.

Pact of Steel, and so, at the very end of August, proposed via Ciano that if London and Paris would agree to the return of Danzig to Germany, he would ask Hitler to accept a conference to resolve Europe's differences. The British had twice informed the Italians in late August that they would not be averse to a negotiated settlement of the Danzig dispute and would welcome Italian participation in attempts to reach one,[1] and the French Foreign Minister and ambassador in Rome had actively courted Italian mediation to secure peace,[2] but there remained a fundamental stumbling block; the Italians insisted that the Poles must give up Danzig ahead of a conference, whilst the British were equally insistent that any such Polish concession must only be given freely and at a conference, not before one. Despite this British *sine qua non*, the French were encouraged by Mussolini's initiative and endeavoured to get London to agree to a draft response which was essentially positive. This persuaded the Italians to make a second attempt, on 2 September, to get the British Government to agree to the idea of a conference, but events had overtaken the situation with the commencement of the German invasion of Poland the day before. Now, London refused to negotiate unless German forces were withdrawn from Polish territory. Aware that Hitler would never agree to this, Ciano did not even bother putting the idea of talks to the Fuehrer.[3]

In the wake of the failure of Italy's last minute peace offensive, the western European powers were left with little choice but to declare war on Germany, which they duly did on 3 September. The British and French governments had failed to avert the clash with the Third Reich they had been so eager to avoid, but Italy's declaration of non-belligerence at least

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[1]Ciano, Diary, 20 & 28 August 1939, pp.130, 138.

[2]Stafford, P.R., 'The French Government and the Danzig Crisis: The Italian dimension' in International History Review, Vol. 6 (1984), pp.59, 63.

[3]Woodward, L., British Foreign Policy in the Second World War - Vol. 1 (London, 1970), pp.3-5.

meant that the Allies would have just the one enemy to contend with at the start of their latest war.

CHAPTER TWO - ESTABLISHING THE FRAMEWORK FOR DEALING WITH ITALIAN NON-BELLIGERENCE

Italian Neutrality and Anglo-French Grand Strategy

As we have seen, Italy's decision to remain aloof from the war which broke out in September 1939 came as no surprise to the British. Indeed, as early as 18 July, the COS produced a crucial paper addressing the fundamental issue of whether Italian neutrality in the forthcoming conflict should be welcomed or resisted by the western European powers in the light of Anglo-French grand strategy.

To consider resisting Italian neutrality and voluntarily adding to one's list of enemies might seem bizarre, but at the time the COS compiled their report, official Anglo-French grand strategy for a major European war envisaged attempting to defeat Italy within a short period of time from the commencement of hostilities. The aim of this Mediterranean offensive was to free resources, especially battleships, earmarked to guard against the Italian threat for use against Britain's more dangerous enemies.[1] It thus offered great advantages, but also carried with it considerable risks. An offensive aimed at knocking Italy out of the war would require greater resources while it was being conducted than a defensive stance in the Mediterranean, and as these resources could only be found by temporarily diverting forces earmarked to guard against either the German or Japanese menaces, the already serious short-term threat from these quarters would inevitably be increased until Italy were defeated. Moreover, if a Mediterranean offensive failed to defeat Italy, or at least to cripple the Italian war effort, within a short period of time, the losses incurred while conducting it, which were likely to be greater than if a defensive stance were adopted, combined with Italy's continued existence as a drain on resources, threatened to alter the balance of power in the early phases of a war against rather than in favour of Britain and France.

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[1]Pratt, pp.170-1.

Despite these risks, the idea of a Mediterranean offensive, formulated and strongly advocated in the wake of Munich by the leadership of both the British and French admiralties,[1] had been formally adopted by both London and Paris in spring 1939.[2] However, this step had perhaps reflected a propensity amongst British and French policymakers to grasp at anything that offered to make their global strategic predicament more manageable, for, once serious consideration of the details of such a strategy had begun to be considered shortly afterwards, major problems had surfaced. First, the French had effectively ruled out any land offensive against mainland Italy at the start of a war by insisting that the 30 divisions required for it could not be spared from guarding against the German threat until British units could take their place. Then, the French had estimated that an attack on Libya, for which they were to bear by far the greatest responsibility, could not be launched in under two months from the commencement of hostilities, and, even then, only if Spain were neutral. As for an air offensive against Italy, the RAF considered itself incapable at this time of mounting raids on any appreciable scale, and the French were unwilling to divert any of their bombers from guarding against Germany until the British replaced them.[3]

Thus it would be left almost entirely to naval power to bring about Italy's defeat within a short period of time. The men at the Admiralty in London who had devised the idea of a Mediterranean offensive in early 1939 had great faith in the potential of seapower to bring about spectacular results through such measures as coastal bombardment, attacks upon

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[1]Pratt, pp.170-1, Stafford, P.R., Italy in Anglo-French Strategy and Diplomacy, October 1938-September 1939 (D.Phil., Oxford, 1984), pp.87-91, 99-102 & Salerno, R.M., 'The French Navy and the Appeasement of Italy, 1937-9' in English Historical Review, Vol. 112 (1997), pp.82-96.

[2]Pratt, pp.178-9.

[3]Neave-Hill, W.B.R., 'Franco-British Strategic Policy, 1939' in Les Relations Franco-Britanniques, pp.343, 346 & Fridenson, P. & Lecuir, J., 'L'Aviation dans les Projets Franco-Britanniques de 1935 à 1939' in *ibid.*, p.166.

Italian naval forces and blockade,[1] but Admiral Sir Dudley Pound, who had unexpectedly become First Sea Lord in June following the sudden death of Admiral Sir Roger Backhouse, one of the Mediterranean offensive's keenest supporters, crucially was not one of them. In a letter in July to Admiral Sir Andrew Cunningham, recently installed as Commander-in-Chief (C-in-C) Mediterranean and an advocate of the Mediterranean offensive,[2] Pound commented,

> Italy can only be "knocked out" either by her armies being defeated, or by Italy being laid waste by air. We cannot do either of these things at the beginning of the war and it is left to the Navy to do the "knocking out". I can only imagine that they thought the Fleet would steam slowly along the Italian coast and blow it to bits, which, even were it possible, would not "knock Italy out".

During the early stages of a war, Anglo-French action against the Italians would be restricted to 'cutting off their supplies, interfering with their communications, bombarding their ports, killing their submarines and later on the capture of Libya and some of the Dodecanese Islands', which was 'all part of "throttling" them, not knocking them out'. Only if the Italians were truly 'gutless' would the throttling bring about their surrender, and even then only 'in time'.[3]

With serious problems having already emerged in regard to land and air attack, Pound's installation as professional head of the Royal Navy spelt the end of the Mediterranean offensive, and the COS report of 18 July which he helped to produce served as the final nail in its coffin. The paper began by outlining the advantages and disadvantages of Italian neutrality. The advantages were:

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[1]Pritchard, R.J., Far Eastern Influences upon British Strategy Towards the Great Powers, 1937-1939 (New York, 1987), p.146.

[2]Stafford, Italy, p.101.

[3]BL Cunn. Add.MSS 52560, Pound to Cunningham, 24 July 1939, pp.4-5. Interestingly, in his reply, Cunningham opined that the action Pound described as throttling would cause the Italians to lose heart and sue for peace in around six months (*ibid.*, Cunningham to Pound, 26 July 1939, p.3).

(a) increased probability of Spanish and Japanese neutrality.
(b) removal of the danger of Anglo-French losses in capital ships in the Mediterranean which might affect the balance of naval forces globally.
(c) less demand on resources in the Mediterranean and Middle East due to the need only to maintain a guard in the theatre rather than to wage war actively.
(d) the Mediterranean route would remain open.
(e) the threat to Turkey and Greece would be reduced.
(f) the longer Italy remained neutral, the more mobilised would be the resources of the British Empire and therefore the better able to meet an Italian attack should one fall.

Conversely, the only significant disadvantage cited by the COS was a weakening of economic pressure on Germany due to it not having to prop up the Italian war effort.

The list of pros and cons thus seemed to favour Italian neutrality over Italian belligerence, and an outline by the COS of what action could be taken against Italy at the outset of hostilities provided further reasons for preferring not to fight the Italians, for Britain's chief military advisors concluded that this was limited. The difficulties of mounting major land and air operations were highlighted, while at sea, there was economic pressure, the results of which would not be immediate, and coastal raids, which, it was argued, have 'never been a very effective form of warfare' and 'might involve risks [to the battlefleet] disproportionate to the results likely to be achieved'. There was thus held to be no realistic possibility that Italy could be defeated within a short period of time, and this led the COS to conclude not only that the idea of attacking Italy as a means of relieving pressure upon Poland was unwise, as it was felt that the assault would not be dangerous enough to compel the Germans to divert forces from the Eastern Front, but, more importantly, that the implications of having the Italians as enemies for the overall strategic position would be unfavourable.[1]

The CID considered this report on 24 July. It came as something of a rude shock, as most British ministers,

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[1]PRO CAB 66/1, Paper 1, COS Report (18 July 1939), 3 September 1939.

including Chamberlain, had seized upon the idea of a Mediterranean offensive with enthusiasm. They had spent the early summer speaking of the value of and even need for a great success against Italy in the early stages of a war in order to impress the Balkan states, the USA, and Japan, and had even begun to consider that the Italians should be forced into the war if they looked like remaining neutral.[1] In the face of the COS withdrawing its support for the strategy, however, the only man at the CID meeting to support compelling Italy to fight if it should choose not to was Leslie Hore-Belisha, the Secretary of State for War. He commented,

> Even if Italy remained neutral, we still had to leave our forces in the Mediterranean to watch her. It would be preferable to devise means to smash Italy and thus release those forces for action elsewhere. As a neutral, Italy would sustain Germany, whereas as an ally she would constitute a drain on German resources. An ultimatum delivered to Italy on the first day of the war would force her either to come in with us or go in with Germany, in which case her people would be most unwilling allies.

The War Minister's words had little effect, though, for the CID agreed with and approved the COS report.[2]

Thus the idea of compelling Italy to fight from the start of a general European war in the hope of defeating it within a short period of time was effectively killed in late July, though there initially remained a possibility that the Italians would be forced into a war for another reason. The French Government was absolutely adamant about not launching a major offensive against Germany in the opening phase of a conflict,[3] so, if Germany were to be the only enemy, the prospects for the kind of offensive military action that might allow the western European powers to take the initiative appeared to be poor. This was acceptable to most policymakers in Britain, who were content merely to build up their strength

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[1]Pratt, pp.192-3 & Pritchard, p.147.

[2]PRO CAB 66/1, Paper 1, CID Meeting (24 July 1939), 3 September 1939.

[3]Butler, J.R.M., Grand Strategy - Vol. 2: September 1939-June 1941 (London, 1957), p.11.

and exercise the blockade during the initial period of war, but the French sought a more dynamic approach in order to keep up morale and maintain political stability at home.[1] Even in the wake of the demise of the Mediterranean offensive in Britain, therefore, there remained in some important quarters in France a desire to make sure Italy was involved in any war from the start in order to open up possibilities for offensive action and military successes. The French Navy's C-in-C in the Mediterranean seems to have held this belief,[2] as did Campinchi, the Minister of Marine.[3] Most significantly, Daladier told Hore-Belisha as late as 21 August that the Italians should be compelled to fight against the western European democracies if they did not declare for them in order to create chances for early military victories.[4]

Some British, such as Admiral Cunningham[5] and Leo Amery,[6] a renowned hardliner on foreign and imperial issues, shared this French view, but any prospect that London might be persuaded to reverse its decision of late July and advocate a policy of compelling an unwilling Italy to fight disappeared in the wake of the Nazi-Soviet Pact in late August. With the prospect of Soviet assistance in the east destroyed, French confidence was shattered and the idea of voluntarily adding to one's enemies became much less attractive.[7] Thus, when the French ambassador in Rome returned to Paris at the start of September

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[1]Barker, E., British Policy in South-East Europe in the Second World War (London, 1976), p.13.

[2]BL Cunn. Add.MSS 52560, Cunningham to Pound, 26 July 1939, p.4.

[3]Flandin, P-E., Politique Française 1919-1940 (Paris, 1947), pp.356-7.

[4]Stafford, 'French Government', p.58.

[5]BL Cunn. Add.MSS 52560, Cunningham to Pound, 26 July 1939, p.3.

[6]PRO FO 800/319, H/XIX/60, Amery to Halifax, 25 August 1939.

[7]Salerno, 'French Navy', p.102 & Stafford, 'French Government', p.58.

to receive instructions, he was told to make every effort to keep Italy out of the war by President Lebrun, by Prime Minister Daladier, by General Gamelin, the Commander-in-Chief of France's armed forces, and, presumably under instructions from above, even by the Italophobic and hard-line Secretary-General at the French Foreign Ministry, Alexis Léger.[1]

Both western European powers thus entered the war determined to maintain Italian neutrality. However, as Hore-Belisha argued at the CID meeting on 24 July, and as Williamson Murray has contended at greater length in a pioneering article,[2] the requirements of economic warfare, the linchpin of Allied strategy in the early stages of the conflict, might have led the Anglo-French strategic planners to insist upon Italy being forced to enter the war. With Italy neutral, Germany would have a potential conduit for the supply of contraband goods, but closing this tightly was not the major reason for compelling the Italians to fight. The prime argument for involving Italy, as the Defence Preparedness Committee was pointing out as late as 1 September 1939, was that Italy would almost certainly prove as great a strain on Germany in the coming conflict as Austria-Hungary had been in the First World War.[3]

It was common knowledge in the late 1930s that Italy produced almost no valuable strategic raw materials, had very limited stockpiles of such, had a weak industrial base ill-suited to the production demands of modern war, and was on the verge of fiscal collapse and so in no position to do much to remedy its deficiencies by buying large amounts of supplies from abroad. As if all this was not bad enough, the Allies were in a position, due to their naval predominance in the Mediterranean and control of Gibraltar and Suez, to cut off at a stroke

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[1]François-Poncet, A., Au Palais Farnèse: Souvenirs d'une ambassade à Rome 1938-1940 (Paris, 1961), p.139.

[2]Murray, W., 'The Role of Italy in British Strategy 1938-39' in Royal United Services' Institute Journal, Vol. 124 (1979), pp.43-9.

[3]Murray, 'Italy', p.48.

upwards of 75 per cent of Italy's peacetime imports. It was therefore appreciated that, in the event of Italy becoming involved in a general war, Germany would be forced to prop up the feeble Italian economy industrially and financially, and to attempt to meet a list of Italian supply deficiencies which was uncomfortably similar to the Reich's own, largely via Eastern Europe's poor network of land communications.[1] The inevitable result of all this would be to increase the strain on the German war economy severely, and thus render it more vulnerable to economic pressure.

The value of this increase in strain on the German war economy would, of course, be outweighed by the Italian armed forces being able to cause serious military problems for the Allies in the context of the greater struggle against Germany, and, as we have seen, it was primarily the desire not to add unnecessarily to their military burden that had led the western European powers to favour Italian neutrality.[2] In the light of how relatively little trouble the Italian armed forces were able to cause the Allies once Italy had entered the war, however, in conditions far more favourable to Rome than those obtaining in autumn 1939,[3] there is good reason to believe that Italian involvement from the start of the conflict would in fact have had a less detrimental effect upon the Allies' military predicament than upon the German war economy.

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[1]Murray, 'Italy', pp.44-5 & Monroe, pp.146-8, 170.

[2]A particular concern in this regard was the defence of France's border with Italy. The French had calculated in the autumn of 1938 that fifteen divisions would have to be stationed in the Alps to guarantee security against an invasion from the south-east, but, in September 1939, with the disappearance of any prospect of Soviet assistance against Germany resulting in a greater demand for troops to defend France's north-eastern frontier, only ten divisions could be spared for the border with Italy (Young, 'French Military Intelligence', p.157, n.50 & Gamelin, M., Servir - Vol. 3: La guerre (septembre 1939-19 mai 1940 (Paris, 1947), p.35).

[3]Consider, for example, Italy's stunningly unsuccessful invasions of France and Egypt in June and September 1940.

Thus the British and French might have been better advised to have compelled Italy to fight in 1939 after all, but such an argument relies heavily upon hindsight, for, although there was an awareness in late summer 1939, via sources such as British Intelligence, of the poor state of preparedness for a major war of the three Italian armed forces,[1] this did not, as we have seen, lead to the conclusion that those armed forces would be incapable of causing the Allies serious problems in the context of the greater struggle against Germany. From the contemporary perspective, therefore, British policymakers were being perfectly rational in favouring Italian neutrality over Italian belligerence, for without assurances from the military advisors that Italy could be defeated within a short period of time, and in the absence of knowledge, or even advice, as to just how ineffectively the Italian armed forces would generally perform once Italy had entered the war, the logical choice was surely to keep one's enemies as few in number as possible.

General Thoughts on Handling Italian Neutrality

Having decided in late July 1939 that Italian aloofness from a major European war would be preferable to Italy's active involvement, British policymakers had now had to establish a framework upon which the handling of Italian neutrality should be based. The COS had offered recommendations for this in their report of 18 July. For them, the key factor was the nature of Italy's neutrality. If the Italian Government appeared to be behaving in a genuinely neutral manner and seemed anxious to avoid entering the war, it should not be pressured in any way. If, however, Italy was being used as a conduit for supplies for the German war effort, some rationing of Italian imports would be necessary. Finally, if it allowed Germany use of its bases or appeared to be about to enter the war, it might be necessary to compel it to declare its position forthwith, perhaps by demanding that it withdraw from the Axis or even by launching a pre-emptive strike against it. In any event, the COS had urged that Britain should 'be taking

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[1]Hinsley, F.H., British Intelligence in the Second World War - Vol. 1 (London, 1979), p.200.

the same precautionary measures, and maintaining the same forces in the Mediterranean, as if Italy were openly hostile'.[1] The CID had approved these recommendations at their 24 July meeting, and the importance placed by the COS on Italian neutrality being genuine, rather than a ruse adopted to benefit Germany, had led the committee to conclude that for that neutrality to be decidedly to the Allies' advantage, it would have, in some way, to be assured.[2]

The question of assuring Italian neutrality was a difficult one, however, and it greatly troubled the Service chiefs in the Mediterranean and Middle East as war approached. All three, Wavell of the Army, Mitchell of the RAF, and Cunningham of the Navy, were suspicious of Italy and concerned that it 'may be more dangerous as a neutral than as a foe',[3] and so considered it essential that any Italian declaration of neutrality be accompanied by concrete guarantees.[4] The Middle East Joint Planning Staff (MEJPS) therefore came up with ideas for such guarantees, including the 'locking up of the Italian fleet in British ports', the control of troop movements, the locking up of aeroplanes, and a ban on anti-British propaganda.[5] By the time these draconian suggestions reached London in late August, however, the growing obviousness of the Italian Government's desire to stay out of the impending conflict had greatly undermined any inclination British policymakers might have had to risk war with Italy by presenting Rome with such provocative demands, and so a

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[1]PRO CAB 66/1, Paper 1, COS Report (18 July 1939), 3 September 1939, pp.2-3.

[2]PRO CAB 66/1, Paper 1, CID Meeting (24 July 1939), 3 September 1939.

[3]PRO WO 201/2119, 7A, Wavell to Gort, 29 August 1939, p.2.

[4]PRO WO 201/2119, 3C, 'Note on Strategical Situation in Middle East' by Wavell, 14 August 1939 & 5A, Wavell to Gort, 18 August 1939.

[5]PRO WO 169/3, Vol. 1, 1st Meeting MEJPS, 21 August 1939, para.15.

communication was sent preventing these notions from being taken any further.[1]

Certain figures back in Britain shared the concern of the Commanders-in-Chief in the Mediterranean and Middle East as to the problem of Italian neutrality not being assured.[2] Most notable of these was Leo Amery, who wrote to Lord Halifax in late August. He was concerned that Mussolini would use a position of neutrality to benefit the Germans and make things difficult for the Allies. He therefore suggested that, upon threat of military action, the Italians should be asked to prove the genuineness of their neutrality by denouncing the Axis, closing the Italo-German frontier to transit trade to Germany, opening the Adriatic to Allied warships, and reducing the Libyan garrison to the bare minimum for the maintenance of internal order. Amery appreciated that 'All this may seem high-handed', but he felt that 'things are far too serious now for any policy of hesitation, or of pretending to treat as neutral someone who means to pounce on you at his selected moment'.[3] Amery was very much at this time still in the political wilderness, however, and no one in a position of power or influence within the British Government seems to have been any more in favour his proposals that they were those of the MEJPS.

The manner in which Italy declared its decision to remain aloof from a major European war can only have exacerbated any lingering concerns about Italian neutrality not being assured, however. All the Italian announcement of 1 September said was that 'Italy will take no initiative in the way of military operations'.[4] At the meeting of the Council of Ministers in

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[1]PRO WO 169/3, Vol. 1, 7th Meeting MEJPS, 31 August 1939, para.1.

[2]See, for example, PRO FO 800/319, H/XIX/63, Selbourne to Halifax, 2 September 1939.

[3]PRO FO 800/319, H/XIX/60, Amery to Halifax, 25 August 1939.

[4]PRO FO 434/6, Part XIX, No. 23, Loraine to Halifax (by telephone), 1 September 1939.

Rome that approved this statement, Dino Grandi, former ambassador in London and an Anglophile, had suggested instead a formal declaration of neutrality and denunciation of the Pact of Steel, only to be angrily cut short by the Duce.[1] London was, of course, unaware of this, but the British did soon learn via its ambassador in Belgrade that Ciano had explained to the Yugoslav Minister in Rome on 2 September that non-belligerence, as the Italian Government was terming its position, was not the same as genuine neutrality and that, at least as yet, 'There was no real rapprochement between Italy on the one hand and Great Britain and France on the other'.[2]

This was clearly a far from ideal situation, but the British Government remained fairly sanguine, the Foreign Office concluding on 1 September that, although 'Italian neutrality will have to be regarded with suspicion...it is not so certain that [it] is really part of a cunning Axis plot'.[3] The Italian declaration had made it clear that non-belligerence had nothing to do with a genuine and marked shift in policy away from the Axis and towards the Allies, but London still had every reason to believe that, due to its lack of military preparedness, Rome was sincere in wishing to avoid fighting the Allies. Indeed, the continued existence of the Italo-German alliance notwithstanding, it was predicted that, in the near future at least, the Italians were unlikely to intervene militarily unless the Allies took action directly contrary to their interests or, and this was the crucial point, unless the Germans appeared to be winning the war.[4]

In Paris, meanwhile, Italy's declaration of non-belligerence caused rather more consternation. Like the British, the French had toyed in August with the idea of demanding

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[1]Collier, R., Duce!: The rise and fall of Benito Mussolini (London, 1971), pp.165-6.

[2]PRO T 188/157, telegram from Campbell, 3 September 1939.

[3]As cited in Waterfield, p.248.

[4]Woodward, 1, pp.20-1.

guarantees of Italian neutrality, but, although both Daladier and France's military chief, General Gamelin, had supported the idea in principle, they had become far less sanguine in the wake of the Nazi-Soviet Pact about the possibility of war with Italy being provoked by such a policy and so had opposed its adoption.[1] Now, the hardliners in Paris, particularly Léger and Campinchi, pushed for an ultimatum to be delivered to Rome to clarify its position as proper neutrality or face attack. It was fully appreciated that this might mean war, but the hardliners, convinced that Italian intervention was inevitable at some point, considered that, if that was the outcome of an ultimatum, better that Mussolini's hand should be forced than that he should be left to choose the moment of intervention that best suited Italy.[2] As over the matter of guarantees of neutrality, however, the issuing of an ultimatum was considered too aggressive and too risky a step to take by those ultimately responsible for French policy.

Despite the general trust placed in Italy's desire to avoid war in autumn 1939, at least in London, both the British and French remained wary at this time of Rome's future intentions and suspected that non-belligerence was not intended as a permanent policy, but that efforts would be made to overcome the factors working against Italian intervention.[3] The task for the Allied governments, therefore, was to try to prevent these factors from being overcome and to weaken the desire of those in Italy who wished to intervene on Germany's side at some point in the future.

Some in a position to influence policy in Britain felt that a tough line was needed to achieve these objectives. Vansittart, for example, had been of this opinion at least since the start of May, and he reiterated his belief early in

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[1]Stafford, 'French Government', pp.64-5.

[2]Shorrock, p.274 & Flandin, p.356.

[3]Woodward, 1, pp.20-1 & Villelume, P. de, Journal d'une Défaite: 23 août 1939-16 juin 1940 (Paris, 1976), 2 September 1939, p.19.

the war that the Italians needed to be shown that Britain was strong and active.[1] Eden, unsurprisingly, held similar convictions, as did his former Principal Private Secretary (PPS), Oliver Harvey, who noted that Mussolini 'will be won over by a display of great strength, not by any sign of weakening'.[2]

As the record of appeasement up to the outbreak of war demonstrates, though, such men were in the minority in government during Chamberlain's premiership. Nevertheless, a hard-line policy aimed at intimidating the Italians into remaining out of the war might still have been adopted had it won the support of Britain's chief advisor on Italy, Sir Percy Loraine. During the early weeks of his ambassadorship, Loraine had indeed favoured a firm approach,[3] but his views had soon changed. In a vitally important letter to the Foreign Secretary dated 21 July, Sir Percy had given his considered advice on policy towards Rome. He had commented that, although it was 'possible to make out a pretty convincing case for taking up a more active and considerably less tolerant attitude towards Italy...my instinct urges strongly that it is far more politic not to do so'. Instead, he had advised that 'we should persevere in our attitude here of patience, even temper, watchfulness and good personal relations'. Several factors had led him to this conclusion. First, Britain had enough on its plate already with Germany without stirring up trouble with Italy; second, a harsher attitude would only make Mussolini madder at the western European democracies and might solidify Italian public opinion, which was generally anti-war and anti-German, behind him; and third, and most important, there was reason for hoping that, so long as the British and French did not alienate Rome too much, German insensitivity, anti-German feeling amongst the Italian public, especially in the

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[1]CACC VNST 2/43, minutes by Vansittart, 3 May & 16 September 1939.

[2]Harvey, Diaries, 26 August 1939, p.306.

[3]Waterfield, pp.231-4.

industrial north, and the growth of Anglo-French military strength might lead to the weakening of the Axis, perhaps terminally, over time.[1]

Loraine was thus convinced that it was better to try to coax rather than bully Rome into pursuing the course of action desired by Britain, so, when Lord Halifax sent a telegram to him on 3 September asking how to best proceed 'with a view to clarifying and stabilizing [Italy's] attitude and if possible bringing her in on our side',[2] Sir Percy strongly advocated a policy of goodwill and conciliation. He was most reluctant to press the Italian Government to clarify its position, fearing that it might provoke Mussolini into declaring forcefully for Hitler, and instead advocated an unquestioning acceptance of the genuineness of Italian neutrality. As regarded policy generally, he urged that the Italians be handled with great care and discretion, every allowance being made for their national pride and susceptibilities, lest they abuse their position to benefit Germany. A particularly tricky issue in this regard was likely to be the exercise of contraband control in the Mediterranean, which the Duce liked to think of as an Italian lake.[3] This, essentially, was to remain Loraine's position throughout all but the last couple of weeks of Italy's period of non-belligerence and he reiterated it during a visit to London in late October, advising,

> Continued attitude of goodwill; Consideration of Italy's own position and difficulties; Abstention from comment on Italian internal affairs, from acts or words that would compromise Italy with Germany, from bringing any pressure to bear on Italy as regards declaring herself for or against Germany.[4]

When the newly formed War Cabinet discussed the question of Italian neutrality for the first time on 4 September, then, it

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[1]PRO FO 1011/66, Loraine to Halifax, 21 July 1939, pp.6-8.

[2]PRO FO 434/6, Part XIX, No. 27, telegram to Loraine, 3 September 1939.

[3]Waterfield, p.248.

[4]Waterfield, p.254.

concluded that, for the moment at least, Britain should not force the Duce to 'show his hand as a neutral'. In any case, such a move was unnecessary at present as Italian neutrality seemed likely to be genuine enough given that Mussolini appeared to be 'as anxious to avoid becoming involved in a war against us as he was to keep out of a war with Germany'. The possibility of Italy coming over to the Allies at some point was not ruled out, though it was realised that this would be more difficult than it had been in the First World War, and, as a means of encouraging this, the War Cabinet decided that when the Ministry of Economic Warfare (MEW) considered the problem of Italy's involvement in the blockade of Germany, due consideration would have to be given to the political aspect of avoiding antagonising Rome.[1]

The essence of British policy towards Italy at the start of the Second World War, then, was to sustain Italian neutrality on as favourable a standing as possible by means of the adoption of an attitude of goodwill and compromise, whilst maintaining, as the COS had urged and the CID approved in July, a level of military wariness in the Mediterranean and Middle East. Fortunately for the British Government, those in control in France broadly agreed with this approach, as we shall see, though this did not prevent disputes arising between Paris and London, particularly over the Balkans, in which there were clear divergences of opinion involving the issue of how best to maintain Italian neutrality. In adopting such an approach, London hoped to encourage Rome to move ever closer to the Allied side as the Axis was hopefully weakened by German insensitivity towards Italy, the opposition of most Italians to the alliance with Hitler, and the growing military might of the Allies. Unfortunately, the British did not, as we shall see, take sufficient account of the determination of either Mussolini or Berlin to thwart their plans and prevent the Axis breaking up.

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[1]PRO CAB 65/1, 2nd Meeting, 4 September 1939, 2nd minute.

Initial Thoughts on the Various Strands of Policy Towards Italy

Having decided that Italian neutrality was strategically advantageous and that efforts should be made to sustain it by means of conciliation and goodwill rather than uncompromising firmness, the British had now to consider the development of the various strands of policy towards Italy. There were four main such strands; Italy's political and territorial claims, economic relations, military policy in the Mediterranean and Middle East, and the Balkan question. (The issue of propaganda and the press is also addressed in this section).

Britain and Italy's Political and Territorial Claims

When Italy had declared its neutrality at the start of the First World War, the Allies had proved willing to promise to meet some of Rome's major political and territorial claims in order to win Italian support for their cause. This had resulted in the Treaty of London of April 1915, by which Italy agreed to enter the war on the Allied side in return for the cession of lands under Habsburg rule at the end of the conflict. In 1939, despite the fact that Allied relations with Italy were worse than they had been in 1914, a similar approach aimed at cementing Italian neutrality or, as in 1915, turning it into alliance remained a viable option for the western European powers to try. However, Italian aspirations now primarily focused upon territory and influence held by the Allies themselves rather than upon that currently possessed by their enemies, and this inevitably made an attempt to buy Italy outright by means of major concessions considerably less attractive than it otherwise might have been.[1]

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[1]The idea was briefly mooted at the start of the war, mainly in France, of offering Rome Imperial Germany's former colonies, which the Allies currently administered, but this was swiftly dropped on the grounds that these lands would not interest Mussolini (PRO FO 371/23787, R7766/1/22, memorandum by FO, 19 September 1939, p.4).

In a similar attempt to find a means of offering Rome a bribe that would not cost the Allies themselves too dearly, the suggestion was put forward in Paris early in the war that Italy might be offered a free-hand in Croatia and Dalmatia. This was also rapidly abandoned, however, principally on moral grounds. After all, the western powers

As we have seen, Italy had been agitating for concessions from the French over Tunisia, Djibouti, the Suez Canal, Corsica, Nice, and Savoy since late 1938, so the adoption of a compromising attitude over some or all of these issues was an obvious means by which relations with Rome might be improved. It will be recalled, though, that Daladier had firmly ruled out such a policy in the wake of the Pact of Steel on the grounds that Italy was too firmly entrenched within the Axis and had too great ambitions in the Mediterranean for compromise to achieve anything substantial.

The fact that Rome reneged on the Pact of Steel on 1 September, however, made Daladier question whether Italy really was irretrievably tied to Germany and made him much more amenable to the ideas of those in Paris who argued that political concessions would pay great dividends.[1] Before France had even entered the war, therefore, the French Government, via its ambassador in Rome, André François-Poncet, privately offered to discuss all issues of dispute with Italy, except Corsica, Nice and Savoy.[2] This failed to elicit an official response, so, the dismissal as Foreign Minister of the arch-appeaser Bonnet on the 13 September notwithstanding, François-Poncet was instructed to raise the issue once again. This time he informed Ciano that the French Government was willing to discuss all issues of dispute between the two countries, but he added that it would be left up to the Italian Government to initiate talks if they desired them.[3] The Italian Foreign Minister's reply to this demarche was

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had no right to offer Yugoslav territory to Italy, and to have done so would have done untold damage to support for the Allied cause in other neutral states, particularly the USA (Villelume, Journal, 2 & 6 October 1939, pp.51, 57).

[1]Shorrock, pp.274-5.

[2]Shorrock, p.272.

[3]Shorrock, p.276.

hardly encouraging; he simply warned the Frenchman against attempts to buy Italy off.[1]

Exactly how much Paris would have been willing to offer Rome had the Italians responded positively to its tentative demarches of early September is unclear, though, given the opposition amongst the French public before the war to yielding to Italian demands, it seems reasonable to assume that no major concessions would have been made unless Italy was prepared to join the Allied side or at least cement its neutrality in some tangible way. Such a dramatic development in Italian policy was never likely at this early stage of the war, however, and the fact that the French made no concrete offers and were content, having informed Rome of their willingness to engage in discussions, to leave it up to the Italians to take the next step suggests that the approaches were not a serious attempt to buy Italy at this stage but rather a move designed to show the Italian Government that, if it were to consider abandoning Germany in the future, France would be willing to provide an incentive for it so to do.

Despite their efforts in the spring and summer of 1939 to encourage the French Government to discuss political and territorial issues with Rome, the British remained aloof from the French initiatives of early September. At the end of July, Halifax had written to Loraine to ask for his opinion on efforts to meet Rome's claims and the reply he had been sent was crucial in determining British policy towards Italy over the next year. Although Sir Percy had expressed himself in favour of discussions of political and territorial questions in principle, at least between Italy and France, he had opposed any approach on such lines for the foreseeable future, as he judged that it would weaken the impression of Allied determination, thereby both encouraging potential enemies and undermining the confidence of states who had joined, or might join, the Anglo-French bloc. Moreover, Loraine had expressed serious doubts about the effectiveness of any attempt to meet

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[1]Duroselle, J-B., L'Abîme 1939-1945 (Paris, 1982), p.37.

Italian claims. He not only believed that it would take nothing less than the transformation of the Mediterranean into an Italian lake to sate the Duce, but also that an approach on political lines under current circumstances, rather than weakening the Axis, would only confirm Mussolini in his conviction that adherence to the German alliance would yield great benefits. Once the balance of armed strength had turned visibly in favour of the Allies, and especially if the Duce were to show signs of uneasiness with his German partner, 'then perhaps we can show him that there is a way out. But I think the wheels must grind a good deal more before we reach that point'.[1]

Perhaps the key reason why Britain remained aloof from the French attempts in early September to raise Italy's claims, however, was the belief that it was not necessary to do so in order either to prevent Italy from fighting on Germany's side or even perhaps to break the Axis. As we have seen, Rome's unwillingness to engage in a major European war had become increasingly clear to the British as the summer of 1939 wore on, and it was hoped that German insensitivity, anti-German feeling amongst most Italians, and the growth of Anglo-French military strength would, in time, lead to the collapse of the Axis without the Allies having to make any major political concessions to Rome at their own expense. Therefore, as Chamberlain put it at the first meeting of the Supreme War Council (SWC) on 12 September, the British Government considered that 'it was not necessary to go exactly "cap in hand" to Mussolini'.[2]

In the light of the French demarches, Loraine reaffirmed his opposition to efforts to open discussion of Italy's claims a fortnight into the war, fearing that they would be regarded in Rome as pressure to force Italy to declare for one side or the

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[1]PRO FO 1011/66, Halifax to Loraine & reply, 25 July & 1 August 1939.

[2]PRO CAB 99/3, 1st Meeting, 12 September 1939, p.6.

other,[1] pressure which Ciano had made clear in no uncertain terms was unwelcome and would result in Italy 'being forced to take up a position directly opposed to that country which had attempted to impose a line of conduct upon us'.[2] The Foreign Office broadly agreed with Sir Percy's views, though, rather than ruling out the idea of political concessions entirely, it decided that, 'If the Italian Government were...to make the first approach, the position would be different and His Majesty's Government, and doubtless the French Government, would be ready, if necessary, to pay something to secure Italian support'.[3]

Thus British policy over the issue of political concessions essentially matched that adopted by the French by the middle of September; a new Treaty of London involving major concessions to Italy would not actively be sought by the Allies, but should Rome take the first step in opening discussions on political and territorial questions with the aim of improving relations between the Allies and Italy in some concrete form, it would find London and Paris sympathetic to its approach and willing, if required, to make some minor concessions as an incentive to the Italian Government to do a deal.

Anglo-Italian Economic Relations

The decision to avoid political questions in dealings with Rome unless the Italians took the lead pushed economic matters to the forefront in Anglo-Italian relations during the Phoney War period. Broadly speaking, these divided into trade issues and blockade issues, though often the two areas became closely linked, especially as responsibility for both came under the aegis of the Ministry of Economic Warfare.

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[1]PRO FO 371/23820, R7686/399/22, telegram from Loraine, 17 September 1939.

[2]Ciano, Papers, record of conversation with François-Poncet, 16 September 1939, p.307.

[3]PRO FO 371/23820, R7686/399/22, telegram to Phipps, 19 September 1939.

The most important of these issues for the British was the blockade, as the restriction of supplies to Germany was the cornerstone of Allied strategy in the early stages of the war. It was realised, however, that the more stringently the Allies implemented contraband control in the Mediterranean, the more likely the blockade would be to cause friction with Italy, as it would remind Mussolini of the sanctions of the Abyssinian Crisis period and make clear to him that Italy was not master in its own sea. There was thus an obvious clash between the interests of economic warfare against Germany and those of fostering good relations with Italy. The British therefore hoped for an agreement with Rome on the level, nature and destination of Italian imports and exports, with the aim of reducing to a minimum the physical imposition of economic control by British warships on Italian shipping.

It was appreciated from the start, however, that, unlike with the smaller neutrals, London, which was given the responsibility by Paris for negotiating with Italy on blockade issues,[1] would have little hope of getting Rome to agree to a standard war trade agreement limiting imports of strategically important goods without some substantial *quid pro quo*, as that would offend Italian susceptibilities as a supposed Great Power. Instead, some kind of *ad hoc* agreement would have to be sought, though hopefully this would amount, in effect, to a rationing system which would prevent Italy from becoming a major leak in the blockade.[2]

Alongside attempts to reach agreement over the blockade, considerable emphasis was placed by London upon increasing Anglo-Italian trade. Obvious reasons for wishing so to do were the desire to secure certain supplies from Italy, to demonstrate goodwill and the wish for cooperation in general, and the hope that the stronger economic relations between the two countries became, the more unlikely it would be that Rome

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[1]Medlicott, W.N., The Economic Blockade - Vol. 1 (London, 1952), p.37.

[2]PRO FO 837/492, memo by Rodd, 5 September 1939, p.1.

would wish to break with Britain. At a more sophisticated level, it was hoped that the prospect of increased trade could be used as a lever in blockade negotiations. As Francis Rodd, son of the British ambassador in Rome during the Great War and now member of the MEW with particular responsibility for policy towards Italy, pointed out at an interdepartmental meeting in mid October, 'The bait by which the Italians could be attracted into suitable arrangements was the prospect of obtaining the supplies they themselves needed'.[1] Finally, there was also the belief that, as Sir Andrew Noble, the clerk at the Southern Department of the Foreign Office responsible for Italian affairs, minuted on 4 September, there seemed to be 'a good chance of being able to bribe the Italians with lucrative orders'[2] into remaining out of the war, for, as Noble again commented, 'If the Italians find neutrality profitable they are much less likely to join the Germans. However distasteful it may be to put money into Italian pockets, it is cheaper and less dangerous than making political concessions'.[3]

There were to prove to be many problems, however, with a policy of increasing Anglo-Italian trade. Perhaps the greatest of these was that any substantial increase in the level of Italy's overall trade would provide the Italians with the financial wherewithal to increase their importation of goods which could either be used to improve Italy's own military preparedness or forwarded to Germany to assist the Reich's war effort. This made the British unwilling to see overall Italian trade increase too greatly, the emphasis instead being placed on expanding commercial activity with Rome at the expense of Italy's trade with other nations, particularly Germany, even though this was bound to lessen the

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[1]PRO FO 837/493, 'War Trade Arrangements with Italy', 17 October 1939, p.3.

[2]PRO FO 371/23827, R7143/7058/22, minute by Noble, 4 September 1939.

[3]PRO FO 371/23804, R8411/41/22, minute by Noble, 6 October 1939.

impact which an increase in Anglo-Italian trade might have in improving relations and in cementing Italian neutrality.

Fortunately for the British Government, the Italians were responsive to the idea of expanding their commercial relations with Britain. The British embassy in Rome learned in early September that Germany was significantly in arrears with its commercial payments to Italy (perhaps by as much as £27 million), and that the Italian Government was consequently keen to increase its trade with other countries.[1] The War Cabinet therefore agreed on 6 September that Loraine should make an official but informal approach to Count Ciano to test the water concerning increasing trade.[2]

This approach went well,[3] and the Chancellor of the Exchequer, Sir John Simon, produced a preliminary report entitled 'Promoting Trade with Italy', which was circulated to the War Cabinet on 11 September. In essence, this listed the imports and exports which Simon felt should form the basis of an increase in trade with the Italians. Desired imports ranged from arms, explosives and machine tools to hemp and lemons, to pay for most of which Simon proposed that Britain offer to increase its exports of coal.[4]

At first sight, such a deal was unlikely to appeal to the Italians, for, although Italy had a very limited supply of coal of its own, it was already importing sufficient from Britain to meet its requirements, which stood at 12 million tons per annum,[5] when this was added to the majority of supplies it received from Germany. In the opening weeks of the war, though, congestion on the German railway system and

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[1]Medlicott, pp.283-4.

[2]PRO CAB 65/1, 5th Meeting, 6 September 1939, 5th minute.

[3]PRO FO 371/23804, R7336/41/22, telegram from Loraine, 11 September 1939.

[4]PRO CAB 66/1, Paper 20, 11 September 1939, pp.2-3.

[5]Mallett, Italian Navy, p.195.

an unwillingness on the part of some neutral countries to risk Allied displeasure by continuing to carry German exports in its merchant ships led to a dramatic short-term fall in the level of Italian coal imports from the Reich.[1] This certainly put the issue of Italy's coal supplies in question, but the railway congestion caused by German mobilisation and the reluctance of some neutrals to ship German coal were problems that could be overcome relatively easily and did not pose that serious a threat in the mid to long-term to the level of German coal supplies to Italy. However, the fact that much of this coal arrived by sea, and so was liable to be interrupted if and when the Allies decided, as they were almost certain to do, to place an embargo upon enemy exports as part of their economic warfare, meant that there was a genuine long-term threat to Italian imports of coal from Germany. The British believed that, when enemy export control was introduced, Rome would be forced to increase its importation of coal from non-German sources, and so greatly increased supplies of British coal might prove to be a good bargaining lever in economic negotiations after all.[2] This explains why the War Cabinet felt that the prospects of securing an agreement to increase trade with Italy were favourable, even though it determined that this should be based on British blockade policy and the 'genuine requirements of Italian trade',[3] a veiled reference that there should be no significant increase in the overall level of peacetime Italian imports of contraband goods. To what extent such an agreement would serve to improve Anglo-Italian relations and cement Italian neutrality, however, was open to question, as Rome's ability to 'cash in' on its non-belligerence would clearly be restricted by the fact that any

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[1]Mallett, R., 'The Anglo-Italian War Trade Negotiations, Contraband Control and the Failure to Appease Mussolini, 1939-40' in Diplomacy and Statecraft, Vol. 8 (1997), pp.141-2, 145.

[2]PRO T 160/936, F13456/02/1, Gwatkin to Waley, 4 September 1939.

[3]PRO CAB 65/1, 11th Meeting, 11 September 1939, 11th minute.

increase in trade with Britain would predominantly be at the expense of trade with Germany.

Meanwhile, the blockade was introduced in the Mediterranean in the opening days of the war with hardly any Italian reaction. This was largely due, however, to the fact that, at this early stage, the blockade existed in little more than name. On the day war broke out, instructions were given that no Italian ships were to be interfered with in the inland sea, but this order was overturned on 6 September, for fear that it would anger other neutrals. The new instructions, though, were to divert only ships known to be carrying goods openly consigned to Germany, the approach adopted in all other waters in the opening days of the war so as to avoid too abrupt an introduction of the contraband control system, and they stressed, moreover, the 'over-riding consideration of not provoking incidents with Italian ships'.[1] In effect, therefore, the exercise of contraband control of Italian shipping in the near future would only be marginally greater than the complete absence thereof initially ordered.

There were certainly those who questioned the wisdom of such an approach. In the early weeks of the war, consideration was given by a few hardliners, both inside and outside the MEW, to the alternative policy of exploiting British naval power and command of two of the three entrances to the Mediterranean to introduce the forcible rationing of Italian imports. Those who advocated this tough stance argued that, as well as making it more difficult for Italy to provide its German ally with contraband, the forcible restriction of Italian imports to the level of peacetime consumption, less existing stocks and peacetime exports to the enemy, would soon make it impossible for Italy, given its shortages of raw materials, to enter the war.[2]

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[1]PRO ADM 199/2124, Blockade History: Mediterranean, Section II, pp.4-5 & Medlicott, p.71.

[2]Medlicott, p.281.

Thus there were certainly powerful arguments for the adoption of a hard-line approach over the blockade in the Mediterranean, but such a drastic and hostile measure as the introduction of forcible rationing not only ran counter to the general Allied policy of goodwill and conciliation towards Rome, but would have risked an immediate Italian declaration of war, and so was eschewed by the British Government. Nevertheless, it was appreciated that the initial leniency of economic control could not be allowed to last for long. In the Mediterranean particularly, there was concern that the laxness of control would encourage a thriving contraband trade to develop, and the Director of the Economic Warfare Department at the Admiralty therefore argued in mid September that 'Full procedure should...be started as soon as possible, before important commercial interests take a hand in the contraband trade'.[1]

Thus the tone set by the British at the start of the war in regard to economic issues in Anglo-Italian relations was fairly balanced between the requirements of economic warfare against Germany and the desire to appease Italy. The blockade in the Mediterranean had been introduced leniently, to say the least, but such leniency was the norm in these early days and there was an appreciation of the need, as well as a desire, to tighten contraband control in the near future. As for trade with Italy, the British were certainly keen to increase it, but this was mainly to be at the expense of Italo-German trade and was only to be done in ways that would not allow the Italians to improve their military preparedness markedly or undermine the blockade too seriously. It was a delicate balancing act.

British Military Policy in the Mediterranean and Middle East

Another area of British policy which clearly had the potential to be of great importance in determining Italy's course was that of military policy in the Mediterranean and Middle East.

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[1]PRO ADM 116/4249, EWD 4/39, 'Contraband Control in Mediterranean' by Taylor, 18 September 1939.

Here, the British Government was faced with a dilemma. Should it actively prepare for war in the theatre, including increasing its military presence in the region, at the risk of antagonising the Italians in the hope that Italy would thereby be deterred from entering the war and in order to be better prepared for such an eventuality should it occur? Or should it rather maintain the current level of forces, or, in contravention of the advice given by the COS and accepted by the CID in July, even reduce it, so as to appease Rome and leave more resources free for the struggle against Germany in other theatres?

Certainly, there was no pressing need to reinforce the region heavily in order to achieve a tolerable level of short-term security against the Italian threat. Both the British Mediterranean Fleet, stationed in the eastern Mediterranean and comprising three battleships and one aircraft carrier, and the French Mediterranean Fleet, stationed in the western Mediterranean and centred upon a force of three capital ships, were individually superior to the Italian Fleet of just two battleships, though this would change once Italy added two modernised and two new battleships currently being worked on and expected in service within a year.[1] On land too, although British forces in the Middle East and East Africa were numerically inferior to the Italian opposition, the geography of western Egypt in the former case and the prospect of a major Abyssinian revolt in the latter meant that troop numbers were already broadly adequate to meet defensive requirements.[2] The British did have a problem in the region with a lack of air forces and anti-aircraft (AA) defences, however.[3] This aerial deficiency would not only prove a hindrance to land operations (for example, it was feared that the bombing of the Egyptian civil population would create widespread panic and

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[1]Butler, Grand Strategy, pp.26, 23, n.1.

[2]PRO WO 193/955, 4A, 'Note on the Situation in the Middle East', 19 September 1939, paras.3(a), 3(b), 5, 6.

[3]PRO WO 201/2119, 6B, 'Notes on Strategical Situation in Middle East' by Wavell, 24 August 1939, para.6.

necessitate the diversion of land forces which should be holding up an enemy advance to the restoration of internal stability), but was also expected to render the route for supplies and reinforcements through the Red Sea unusable in the event of hostilities, at least in the short-term.[1] Serious as this aerial weakness was, though, it did not alter the overall belief that the British position in the region was tolerably secure.

Although there was thus no pressing need for heavy reinforcements in the Mediterranean and Middle East at this stage, the British Commanders-in-Chief in the region were nonetheless keen that they should be sent further forces, both to render the position even more secure and in the hope of deterring Italy from intervening. Sir Archibald Wavell noted shortly after arriving to take up his post as General Officer Commanding-in-Chief Middle East, for example, that, 'We must aim at placing ourselves in a sufficiently strong position in the Mediterranean to issue an ultimatum to Italy and force her to declare her intentions at once',[2] and Cunningham told Pound at the end of the first month of the war that 'nothing short of sufficient military and air forces in Egypt and Tunis to make an attack on Libya a certain success will enable us to make [the Italians] declare their hand'.[3]

This desire to reinforce the Mediterranean and Middle East was shared by some important figures connected with the armed forces in London. At a meeting of the War Cabinet on 7 September, for example, the newly appointed Chief of the Imperial General Staff (CIGS), Sir Edmund Ironside, urged that a brigade be sent from India to Egypt at once to aid in the maintenance of internal security in the event of Italy

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[1]PRO WO 193/955, 4A, 'Note on the Situation in the Middle East', 19 September 1939, paras.5-6.

[2]PRO WO 201/2119, 1B, 'Notes for B.G.S., Middle East Command' by Wavell, 31 July 1939, p.2.

[3]BL Cunn. Add.MSS 52560, Cunningham to Pound, 28 September 1939, p.2.

becoming hostile.[1] This was approved, and the unit's arrival was reported to the War Cabinet on 4 October.[2]

At the same meeting on 7 September, Churchill, back as First Lord of the Admiralty, suggested to the War Cabinet that, as the Home Fleet was more than strong enough in capital ships to deal with the German Fleet, certain units should be moved to Gibraltar.[3] His reasons for this move are not recorded in the minutes of the meeting, but the main one is to be found in the files of the Foreign Office. Churchill hoped that the establishment of a sizeable force at Gibraltar would encourage the Italians into staying out of the war. This scheme was hardly in line with the Foreign Office's view that provocation of Italy should be avoided, and it quickly drew opposition from that quarter. Halifax was disconcerted by the idea and Sir Alexander Cadogan, the Permanent Under Secretary of State at the FO, minuted as to the 'inadvisability of doing anything that will look like intimidation to Mussolini',[4] and this opposition was sufficient to block Churchill's plan. Indeed, it was probably only because the Italians reinforced Libya heavily in the early weeks of the war[5] that the Foreign Office made no objection to the move of a brigade from India to Egypt at this time.

It was thus not clear at this early stage whether Britain would ultimately increase, maintain at the current level, or even reduce its armed forces deployed in the Mediterranean and Middle East in the light of Italian non-belligerence, but there was little doubt as to how British commanders were to

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[1]PRO CAB 65/1, 7th Meeting, 7 September 1939, 4th minute.

[2]PRO CAB 65/1, 36th Meeting, 4 October 1939, 3rd minute.

[3]PRO CAB 65/1, 7th Meeting, 7 September 1939, 2nd minute.

[4]PRO FO 371/23787, R7251/1/22, minutes by Kirkpatrick & Cadogan, 7 & 8 September 1939.

[5]PRO CAB 66/1, Paper 30, 15 September 1939, pp.11-12.

direct those forces. Telegrams despatched overseas on 1 September warning Commanders-in-Chief to take precautions for a possible general European war added that 'no action is to be taken which might be considered provocative by Italy'.[1] This directive was hardly compatible with the advice given by the COS in July that Britain should take the same precautionary measures in dealing with a neutral Italy as with an openly hostile one, but it nonetheless remained firmly in place until the spring of 1940 and was rigidly applied. For example, in mid October, the COS, following the general policy of not provoking Italy advocated by the Foreign Office and approved by the War Cabinet, banned discussions with the Turks concerning operations for the capture of the strategically important Dodecanese Islands in case news of them 'reached the ears of the Italians'.[2] Similarly, planning with the French for action to be taken in the event of war with Italy to encourage rebellion amongst the natives in Italian East Africa was halted,[3] though this decision was subsequently revised by the order that the British should take 'no action whatever inside Italian territory at present', with planning in British and French territory being allowed to continue provided it was 'unobtrusive'.[4]

Just as military contact between Britain and its allies was restricted in the interests of policy towards Italy, that between the British and the Italians was maintained. In the middle of September, the Army Council suggested that the annual exchange of military information with Italy as agreed under the Anglo-Italian Agreement of April 1938 be ceased as it, quite sensibly, considered it unwise that Britain should furnish such information to a country that was still formally

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[1]Kennedy, J., The Business of War: The war narrative of Major-General Sir John Kennedy (London, 1957), p.15.

[2]PRO CAB 79/1, 51st Meeting, 18 October 1939, 8th minute.

[3]PRO CAB 79/1, 52nd Meeting, 19 October 1939, 6th minute.

[4]PRO CAB 80/4, Paper 104, 29 October 1939.

an ally of Germany. The FO, however, argued that the exchange should be continued on purely political grounds, as to 'discontinue this practice might arouse unjustified suspicions'. Indeed, Halifax even wondered whether it might not be developed to include precise numbers of troops rather than just units.[1] The COS considered the question on 21 September and, presumably under a certain amount of pressure from above, decided in favour of the Foreign Office, though they did at least rule out any expansion of the arrangement.[2]

There was thus tension from the start of the war between the armed forces and the diplomats over the issue of British military policy in the Mediterranean and Middle East. The Foreign Office had clearly gained an early advantage by blocking Churchill's plan to station a large force at Gibraltar, by ensuring that military commanders in the region avoided provocative action, and by keeping the exchange of military information with Italy alive, but those who favoured a vigorous policy of military deterrence could at least take some comfort from the fact that there was as yet no sign of any intention to weaken the forces currently deployed in the theatre. It was not long, however, before even this was challenged.

The Balkan Question

During the first four months of the war, the area which dominated Allied strategic discussion was the Balkans, or perhaps more accurately, South-East Europe,[3] and Italy was one of the key factors in the debate. Indeed, an examination of this subject provides an interesting perspective on how the efforts of the British and French governments to handle the difficult situation of Italian non-belligerence affected Allied policy and strategy in general.

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[1]PRO CAB 80/3, Paper 41, 20 September 1939.

[2]PRO CAB 79/1, 24th Meeting, 21 September 1939, 3rd minute.

[3]The use of the terms 'the Balkans' and 'South-East Europe' in this study are broadly interchangeable.

In the months immediately preceding the outbreak of war, British and French policy in South-East Europe had been geared toward establishing a Balkan bloc of Romania, Greece and Turkey, reinforced militarily by and allied to Britain, France and the Soviet Union.[1] The Allies' failure to secure the support of the USSR and, even more importantly, Italy's non-belligerence and the Allies' desire to maintain it led to a rethink in London, however.

A key factor in this was a telegram from Loraine of 5 September in which he reported the belief of his French counterpart that there was an arrangement that Italy would come into the war if the Allies adopted a vigorous policy of intervention in the Balkans. He also detailed a conversation he had had with the Yugoslav Minister in Rome. M. Cristitch had stressed the need to keep Italy neutral and argued that this meant keeping the war out of the Balkans as Italy would not be able to stand by and run the risk of Germany taking all the prizes in the region. The Yugoslav had further commented that the Balkan peoples would not be able to resist a German onslaught, and Sir Percy expressed his agreement in the telegram with all Cristitch's views.[2]

Loraine's telegram struck a chord in London. The failure to secure Russian assistance signalled by the Nazi-Soviet Pact had crushed British faith that anything could be done to prevent Germany overrunning the states of South-East Europe, with the exception of Turkey, in the early stages of a conflict,[3] and this recommended that efforts should be made to keep war out of the Balkans at least until the Allies had built up sufficient strength to defend the states of the region adequately. Added to this, the British Government was now being warned that Italy might well abandon its non-belligerence if the Allies intervened too vigorously in Balkan affairs or if war erupted in the area, a concern which is

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[1]Barker, pp.3-5.

[2]PRO CAB 80/1, Paper 15, 7 September 1939.

[3]Stafford, Italy, pp.166-7.

given some validation by a comment Ciano made in his diary on 16 September that war in the Balkans at that time would 'probably make our neutrality untenable'.[1] It is no surprise, therefore, that the COS recommended in a memorandum of 7 September that British policy should now aim to keep the Balkans neutral, primarily for the reasons laid out in Loraine's telegram, but also because 'it is desirable to restrict the actual area of military operations at least until such time as the resources of our Empire have been more fully mobilised'.[2]

The effects of this nascent change in policy began to be felt almost immediately. On 6 September, the JPC had supported the suggestion of Sir Michael Palairet, the British ambassador in Athens, that Britain, France and Turkey should initiate staff conversations with the Greeks to cover military action in the event of an Italian invasion of Greece.[3] The very next day, however, in the wake of their decision to advocate a change in Balkan policy, the COS ruled that, as Italian non-belligerence seemed more likely to be maintained if the neutrality of the states of South-East Europe was not threatened by an active Allied policy in the region, staff conversations with Athens, which would clearly impinge upon Greek neutrality, should be avoided. All they would authorise, and that only with the concurrence of the Foreign Office, was that the local Service commanders might work with General Weygand, the recently appointed French Commander-in-Chief in the Levant, in considering problems connected with possible operations in support of Greece, provided that no firm commitments were made to deploy British forces.[4]

Fortunately for the COS, the War Cabinet supported their advocacy of a policy of maintaining strict Balkan neutrality

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[1]Ciano, Diary, 16 September 1939, p.153.

[2]PRO CAB 80/1, Paper 15, 7 September 1939.

[3]PRO CAB 80/1, Paper 11 JP, 6 September 1939.

[4]PRO CAB 79/1, 6th Meeting, 7 September 1939, 7th minute.

on 7 September, when its attention was drawn to the fact that the French were still preparing to deploy forces in South-East Europe in accordance with plans drawn up at a time when it had been envisaged that Italy would join Germany in fighting the Allies from the start of the war.[1] In the light of Italy's non-belligerent stance, the War Cabinet decided that Paris should be informed that London no longer supported such action for fear that it would provoke Rome.[2] The British ambassador in Paris therefore informed the French Government on 9 September that London considered it essential that, 'At the present time, all action in South-East Europe that would risk making Italian intervention in the war against us more likely must be carefully avoided'.[3]

The French, though, remained wedded to the idea of a vigorous policy of intervention in the Balkans. With the Allies agreed that it would be some time before a major military offensive against Germany could be launched in the West, the French felt the need, unlike the British who were content to concentrate on economic warfare while building up their own resources, to take some kind of direct military action elsewhere in order to keep up morale and ensure political stability at home.[4] In addition to this, given the numerical superiority of the Axis over the Allies in army divisions and the perceived importance of denying the resources of South-East Europe to the Germans, the inclusion in the war on the Allied side of as many of the Balkan states as possible, or, in other words, the creation

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[1]Indeed, they were busily building up their force in Syria to a strength of around 15-20,000 men for just such a purpose (PRO WO 169/3, Vol. I, 7th Meeting MEJPS, 31 August 1939, para.7).

[2]PRO CAB 65/1, 7th Meeting, 7 September 1939, 9th minute.

[3]'*A l'heure actuelle, toute action dans le Sud-Est de l'Europe, qui risquerait de rendre plus probable l'entrée de l'Italie en guerre contre nous, doit être evitée avec soin*'; as cited in d'Hoop, J-M., 'La Coopération Franco-Britannique devant le Problème Italien' in Français et Britanniques dans la Drôle de Guerre (Paris, 1979), p.301.

[4]Barker, p.13.

and maintenance of a front in the east, was viewed in Paris as fundamental to strategy.[1] The illustrious General Weygand had therefore been recalled to service in late August to coordinate the French military missions in the Balkan countries and to organise plans to assist in the defence of the region by means of the despatch of an expeditionary force, drawn from the forces under his command in the Levant, to Salonika in northern Greece.[2] It was by no means certain, of course, that the Germans would invade the Balkans and create the front in the east that the French wanted them to, but General Gamelin, France's top military man, hoped that an active Allied policy in the area, including obvious preparations for the despatch of a force to Salonika, would compel the Germans to attack into South-East Europe, thereby bringing new forces in on the Allied side, possibly creating friction between Germany and Italy and Russia, and, most importantly, keeping the war away from France itself.[3]

The British and French were thus set at odds over policy and strategy in South-East Europe. It is no surprise, therefore, that the Balkan question came up at the first meeting of the Supreme War Council on 12 September. Chamberlain and Chatfield, the Minister for Coordination of Defence, expressed concern at the recent high profile visit of General Weygand to Ankara, the Turkish capital, fearing that this might create the impression that a Balkan bloc was being constructed against Italy. General Gamelin replied that precautions had to be made to meet the possibility of Italian intervention, to which the Prime Minister responded, winning the agreement of his French counterpart, Daladier, that these plans should be kept 'well in the background'. The fundamental question of what Allied policy in the Balkans should be, however, was not yet tackled in any depth.[4]

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[1]Stafford, Italy, pp.138-9, 154.

[2]Weygand, M., Recalled to Service (London, 1952), pp.1-3.

[3]Gamelin, 3, p.110.

[4]PRO CAB 99/3, 1st Meeting, 12 September 1939, pp.7-8.

Meanwhile, Halifax, who feared that

> there was a possibility that if war were to spread to the Balkans, this would enable Signor Mussolini to make the idea of war on the side of Germany more acceptable to Italian opinion, by explaining that it had been rendered necessary on a purely Balkan issue,[1]

had decided to act to strengthen support for the new British policy for South-East Europe. He argued in a memorandum dated 12 September that the key to maintaining Italian neutrality was to avoid allowing Germany to improve its military position, and, as the COS had stated that, in their opinion, the entry of Balkan states into the war would allow it to do so, the only sensible course was to aim to maintain the neutrality of those countries. The Foreign Secretary admitted that this would allow Germany to draw important supplies from the region, such as Romanian oil, but pointed out that the level of Balkan supplies reaching the Reich would probably be greater if the German Army were given an excuse by the Allies to annex the countries of origin. He therefore advocated that Britain should seek to encourage the formation of a neutral Balkan bloc as the best means of keeping war out of the area.[2] He subsequently defended this position in Cabinet, stressing that Italian neutrality was far more valuable that Balkan alliances, and his colleagues approved his plan.[3]

On 16 September, Halifax met with the French ambassador, Charles Corbin, who had been asked by his government to raise the issue of Allied policy in the Balkans with the Foreign Secretary. The French still advocated sending a force to Salonika, but at least now agreed with the British that before any such scheme were put into operation, the likely Italian response to it would have to be known. In the event of a demarche being made in Rome to ascertain this, Paris felt that it should be made clear to the Italian Government that the proposed Allied action was directed against German

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[1]PRO FO 434/6, Part XIX, No. 135, Halifax to Phipps, 14 September 1939.

[2]PRO CAB 66/1, Paper 25, 12 September 1939, pp.5-6.

[3]PRO CAB 65/1, 15th Meeting, 14 September 1939, 8th minute.

imperialism, which the French argued the Italians had as much reason to oppose as the Allies. Such an approach, moreover, would help to elucidate Italian intentions, whereas

> The present uncertainty exposed us to the risk of giving the initiative to the enemy. If Italian neutrality were sincere, she could not oppose this plan unless she were really favourable to the idea of German expansion in the Balkans.

Corbin continued,

> The basis of Italian policy was prudence, prudence which dictated that Italy should always be ready to join the stronger state at any moment. It was therefore necessary to give Italy an impression of strength and determination even to the extent of bluffing, or rather of appearing to undertake more than we really intended.[1]

Corbin's comments do much to clarify French views in regard to the possible repercussions for Italian foreign policy of the adoption of a vigorous Balkan strategy by the Allies. The French desire for such a strategy did not denote any weakening of Paris' willingness or desire to keep Italy out of the war, but rather its refusal to accept that an Allied intervention in the Balkans clearly aimed at opposing German expansion in the region would probably drag Italy in on Hitler's side. Indeed, as the French ambassador argued, it was hoped that a vigorous approach by the Allies to the Balkan question might fortify Italian neutrality by giving an impression of Anglo-French strength. This certainly sits somewhat uneasily with a French policy towards Italy that in almost all other respects was every bit as conciliatory in character as that of the British Government, but this merely highlights how vital the existence of a second front was perceived to be by the French.

Despite this latest plea, the British COS remained opposed to French plans. In addition to the political consideration of Italian neutrality which had been stressed thus far, they now attacked the Salonika scheme on specific military grounds. Not only would Salonika be especially difficult to supply in the event of Italy joining the war, but it also suffered from

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[1]PRO CAB 80/2, Paper 34, 16 September 1939.

poor topographical and climatic conditions, which had been at least partly responsible for the problems the Allies had experienced there in the Great War. Instead, the COS only envisaged countering a German drive into South-East Europe in the early stages of the war by defending Turkey.[1] They therefore determined on 19 September that it was 'essential to counteract attempts by the French to dictate the Allied strategy' in the Balkans.[2]

Thus within just two weeks of the outbreak of war with Germany, the Allies found themselves at loggerheads over strategy for South-East Europe, with the question of Italian non-belligerence placed at the centre of the dispute by the British. So important was the concept of a second front to the French, however, especially after the fall of Poland in late September, that they were to continue to push London for the adoption of a more vigorous Balkan strategy for many months yet.

Propaganda and the Press

At the centre of British policy towards Italy was the desire to increase pro-Allied sentiment and belief in the growing strength of the Allies amongst the Italian people and government, and one way in which this could be achieved was through the organised dissemination or suppression of information. The British were fully aware of the importance of propaganda and the press in this context, but they eschewed the kind of vigorous propaganda offensive with which their Nazi enemies are commonly associated, preferring instead to adopt a more tentative approach.

The influence of the Foreign Office was naturally paramount in deciding propaganda policy towards Italy and its chief objective was to prevent the dissemination, both at home and

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[1]PRO CAB 80/2, Paper 35, 18 September 1939, pp.11-12 & CAB 79/1, 21st Meeting, 18 September 1939, 4th minute.

[2]PRO CAB 79/1, 22nd Meeting, 19 September 1939, 8th minute.

abroad, of information likely to damage Anglo-Italian relations. This put the FO at loggerheads with the military establishment in the Middle East, for whom anti-Italian propaganda was an important part of their strategic plans. A request from the Middle East Intelligence Centre for its role to be expanded to incorporate the dissemination of propaganda material was therefore refused by the JIC, on which the FO had a representation, at the end of October 1939,[1] but General Wavell returned to the issue in February 1940. In a memorandum for the JIC, he bemoaned the ban on the dissemination of anti-Italian propaganda to the tribes of Abyssinia and Libya who, it was hoped, could be encouraged to rise up against their Italian masters if war broke out between the Allies and Italy. Wavell ominously warned that the longer 'our present inactive policy continues, the smaller the prospects become of causing embarrassment to the Italians through tribal action', and pointed out that both the French and the Italians themselves were conducting propaganda offensives aimed at discrediting their potential enemies amongst the peoples of northern and eastern Africa.[2] The JIC discussed Wavell's paper in mid February, but, led by the FO representative in the chair, French propaganda was dismissed as 'not serving any very useful purpose', and it was agreed that 'it was undesirable to make active preparations for British propaganda among the tribes in Abyssinia and Libya at present'.[3] Fear of offending Rome thus won out over the interests of military strategy, and it was not until just a few days before Italy entered the war that the Foreign Office finally agreed to measures to counter Italian propaganda in Africa.[4]

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[1]PRO CAB 81/87, 87th Meeting, 27 October 1939, 1st minute.

[2]PRO CAB 81/96, Paper 7, 9 February 1940.

[3]PRO CAB 81/87, 5th Meeting, 16 February 1940, 2nd minute.

[4]PRO WO 169/3, Vol. IX, 67th Meeting MEJPS, 6 June 1940, para.433.

The FO was just as keen to block the leakage of anti-Italian information at home as it was overseas. It was therefore alarmed at a less than flattering account of Italian military prowess written by David Lloyd George, the former Prime Minister, for the *Sunday Express* early in the war, going so far as to bring it to the attention of the War Cabinet.[1] Mussolini was known to be highly sensitive to the foreign press, summaries of which he read twice a day, and especially to slurs on Italy's military prowess,[2] so the reaction from Whitehall to the Lloyd George article was swift, Loraine being instructed to apologise to the Italians and to disassociate His Majesty's Government from it entirely. Press control was not imposed, but newspaper editors were asked 'to exercise particular discretion in their references to Italy'.[3] Nevertheless, pieces derogative of Italy continued to appear spasmodically in the British press, but, in the absence of tight press censorship, which those at the Southern Department of the FO occasionally lamented,[4] there was little that could be done other than to apologise every time such an article appeared.

The embarrassment caused by the Lloyd George article led to guidelines being drawn up for the treatment of Italy in the British press and covering the broader issue of propaganda in Italy. These were fairly predictable, ranging from avoiding negative comments about the Italian people or government, through praising the achievements of the Fascist regime, to playing up Germanic perfidy and Allied strength.[5] A favourable reaction could certainly be expected to at least

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[1]PRO CAB 65/1, 12th Meeting, 11 September 1939, 2nd minute.

[2]Knox, Mussolini Unleashed, p.6.

[3]PRO FO 371/23819, R7349/399/22, telegram to Loraine, 10 September 1939.

[4]For example, see PRO FO 371/23788, R10346/1/22, minute by Noble, 18 November 1939.

[5]PRO FO 371/23804, R7836/41/22, memo by Martelli, 17 September 1939.

some of this in Rome, but in making the prime objective of British propaganda to show 'Britain as the champion of smaller and weaker peoples who wish only the right to lead their lives', London ensured that its propaganda 'spoke convincingly mainly to the already converted',[1] and severely jaundiced its case in Mussolini's eyes in particular, given the Duce's view that the weak must inevitably bow to the will of the strong. Furthermore, at the heart of British propaganda policy, as the Minister for Information stated in a report to the War Cabinet in late September, was the belief that 'truth will be found to be the best policy'. This inexorably meant that 'the success of British publicity will largely depend on our achievements in the various fields of war-like activity, both military, political and economic',[2] and so effectively denied British propagandists much scope to have any real impact upon Italian foreign policy in their own right.

In any case, it was swiftly decided that the organised dissemination of information in Italy by the British was to be kept within fairly limited bounds for fear that excessive distribution would cause a backlash. Loraine's influence was naturally very important in deciding this, and in a letter dated 9 October he told Sir Campbell Stuart, the man in London directly responsible for propaganda policy towards Italy, that, 'On balance, for the moment, I would prefer nothing much to be done in any form'. This was because the situation in Italy was delicate and 'the sort of propaganda which might "go down" in Milan would at the moment be tactless in Genoa, fatal in Rome, or a joke in Naples'.[3] This essentially passive approach was not to the liking of many, and the Foreign Office files contain a number of letters and telegrams suggesting that a more active policy be adopted to counter German propaganda in Italy. It was far from easy to give effect to

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[1]Cole, R., 'The Other 'Phoney War': British propaganda in neutral Europe, September-December 1939' in Journal of Contemporary History, Vol. 22 (1987), pp.459, 476.

[2]PRO CAB 68/1, Paper 15, 21 September 1939, p.6.

[3]PRO FO 1011/205, Loraine to Stuart, 9 October 1939, p.2.

these calls, however, as the following three examples illustrate.

In early October, Loraine himself raised the idea of providing Rome with statistical information on British resources to counteract recent German propaganda belittling Allied military strength. Noble of the Southern Department thought this had potential, and, the following day, Loraine went into more detail about exactly what he had in mind. He urged that the Italians be given such detailed information as the exact number of British divisions deployed in France and the number of aircraft available for the protection of merchant vessels at sea. Philip Nichols, the Head of the Southern Department at the Foreign Office, was somewhat taken aback and minuted that the type of information Sir Percy wanted to provide 'would hardly be supplied to an active ally of His Majesty's Government', let alone to a country which was still officially allied to the enemy.[1] Unsurprisingly, therefore, the War Cabinet decided that the kind of information Loraine had in mind could not be released to the Italians, and that Rome should only receive 'particulars of a general nature regarding our naval and military strength'.[2]

A second idea for adopting a more active propaganda policy towards Italy was that of increasing the circulation of the *Osservatore Romano*, the Vatican's newspaper, which was opposed to intervention and more independent than the rest of the Italian press, by secretly funding distribution of it to parish priests. This scheme was generally well received within the Southern Department, but D'Arcy Osborne, the British representative to the Holy See, effectively ensured its rejection by warning that it would be resented by the Vatican as dangerously compromising and would increase Fascist

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[1]PRO FO 371/23820, R8577/399/22, telegram from Loraine & minute by Noble, 8 & 9 October 1939 & FO 371/23821, R8643/399/22, telegram from Loraine & minute by Nichols, 9 & 11 October 1939.

[2]PRO CAB 65/1, 44th Meeting, 11 October 1939, 7th minute.

hostility towards and suspicion of both the paper and Britain should the secrecy which was to surround the operation ever be compromised.[1]

Finally, in February 1940, Loraine, who was clearly now beginning to query his own advice of early October 1939 that the dissemination of information in Italy was to be kept within tight limits, twice appealed for the implementation as soon as possible of certain improvements in the distribution of British propaganda in Italy. Firstly, the ambassador wanted British newspapers to be widely and freely distributed throughout Italy to counter the German and Fascist press. Official British publications were already being disseminated, but these were treated with some suspicion by the Italians, a response which Sir Percy was confident the famously free British press would not elicit. Secondly, he urged that the British begin medium-wave radio broadcasts to Italy as, at present, British broadcasts, unlike German, were made on a short-wave frequency which could only be picked up by expensive wireless sets.[2] Lord Perth, British ambassador to Italy in the 1930s and now working at the Ministry of Information, wrote to Loraine on 4 March informing him that the newspaper scheme would go ahead but that the radio scheme would not be so easy to put into practice due to the need to utilise a French station to relay medium-wave broadcasts to Italy.[3] The decision was duly taken to approach the French for use of one of their stations, but it was not until 19 April that they agreed to British proposals, and just four days later, the Italians began to interfere with the new

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[1]PRO FO 371/23788, R10620/1/22, Nichols to Perth, 5 December 1939 & R12093/1/22, Osborne to Nichols, 21 December 1939.

[2]PRO FO 371/24960, R1805/980/22, Loraine to Reith, 2 February 1940 & R2664/980/22, Loraine to Perth, 21 February 1940.

[3]PRO FO 371/24960, R2900/980/22, Perth to Loraine, 4 March 1940.

British medium-wave transmissions so as to render them inaudible.[1]

Thus Britain pursued a largely straightforward, unimaginative propaganda policy in Italy during that country's period of non-belligerence, the mainstay of the effort being daily newscasts in Italian.[2] British propaganda, at least in its own right, therefore did little to influence Italian views in a manner beneficial to the Allied cause, though before this is criticised too severely, two crucial points should be borne in mind. First, it was clear that German propaganda in Italy was in a far stronger position than British because of the existence of the Rome-Berlin Axis and the Italo-German Cultural Treaty of 1938, and because the Italians who oversaw the dissemination of information within Italy, most particularly Mussolini himself, were better disposed towards the Nazis than the Allies.[3] Second, and most important, Ciano informed the French ambassador early in the war that for the Allies to direct a propaganda campaign towards Italy would be a waste of time, as the only propaganda that mattered was military victory.[4] In the absence of this, or at least without the convincing prospect of such, British propaganda towards Italy was probably inevitably doomed to impotence.

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[1]PRO FO 371/24960, R5049/980/22, telegram from Campbell & Charles to Halifax, 19 & 30 April 1940.

[2]PRO CAB 68/1, Paper 15, 21 September 1939, p.4.

[3]PRO FO 371/24937, R6387/57/22, memo by press attaché at Rome Embassy, 6 May 1940, p.3.

[4]Reynaud, P., In the Thick of the Fight 1930-1945 (London, 1955), p.398.

CHAPTER THREE - SEPTEMBER TO OCTOBER 1939

Britain and Italian Foreign Policy

Having decided to accept Italy's declaration of non-belligerence, the British Government had effectively chosen to adopt an essentially reactive approach to its relations with Rome, in that its own policy towards Italy would henceforth inevitably depend to a large extent upon the foreign policy which was being pursued, or at least which seemed to London to be being pursued, by the Italian Government. It is no surprise, therefore, that a very close watch was kept on Italian activities, and that Rome's position in relation to the Allies and to Germany was constantly being assessed from September onwards.

In the war's opening weeks, indications from Italy were generally encouraging. The British could take comfort, for example, from the fact that correspondence between senior British and Italian figures in the early weeks of war was cordial or even friendly. Halifax wrote Ciano an official goodwill message on 8 September, for example, thanking Italy for its last ditch efforts to save the peace and expressing the hope that the British and Italian governments could work together for common ends in the coming months,[1] and the reply was both congenial and encouraging.[2] Similarly, Chamberlain corresponded personally with Count Grandi, the former Italian ambassador to Britain and now Minister of Justice in Rome, in the warmest terms in the war's early weeks.[3]

Early British reports from Italy were positive also. Loraine reported on 5 September, for example, that, 'Signor Mussolini, as a Fascist and a realist, will sit on the fence as long as

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[1]DDI, 9th Series, Vol. I, No. 110, Halifax to Ciano, 8 September 1939, p.70.

[2]Ciano, Papers, Ciano to Halifax, 14 September 1939, pp.305-6.

[3]BUL NC 7/11/32, correspondence between Chamberlain & Grandi, 1 & 13 September, 10 & 24 October 1939.

he can'. He surmised that the King, Count Ciano, and Marshal Badoglio, Italy's Chief of General Staff of the Armed Forces and top military professional, all opposed entering the war, though other individuals of lesser, though still significant, importance, such as Dino Alfieri, the Minister for Press and Propaganda, and Achille Starace, the Chairman of the Fascist Party, favoured joining the Germans.[1] As for the Italian people, the Consul in Florence produced a memo on 15 September on public opinion in Italy in which he commented that 'people are saying quite openly - and with ever increasing emphasis - that the order to march (especially on the side of Germany) will be the signal for revolt'.[2] This may have been slightly melodramatic, but its general thrust was supported by a report from Loraine a few days later. Thanks to its opposition to intervention and disassociation with Italy's pro-German foreign policy, the House of Savoy appeared to be on the rise with the Italian public at the expense of the Fascist regime. There was bad feeling between the two, and there had even been clashes between the Army and the Fascist militia.[3] On top of this, material factors continued, of course, to militate powerfully against Italian involvement in the war at this stage, Loraine pointing out that 'the Army and Air Forces were unprepared; that no unusual activities had been observed in the factories; that the economic and financial position was in a bad state and that stocks of raw material were short'.[4]

All this led Sir Percy to adopt a generally optimistic line in regard to future Italian policy. As early as 13 September, for example, he informed Halifax that recent conversations with Ciano had convinced him that there was a hope, 'however slender' at this stage, of Italy returning to the side of the

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[1]PRO FO 434/6, Part XIX, No. 30, telegram from Loraine, 5 September 1939.

[2]PRO FO 371/23798, R7731/9/22, memo by Consul in Florence, 11 September 1939.

[3]PRO FO 371/23798, R7743/9/22, telegram from Loraine, 15 September 1939.

[4]PRO FO 371/23820, R8181/399/22, Loraine to Nichols, 25 September 1939.

Allies as in 1915, and a fortnight later he wrote that, so long as Britain avoided 'making mistakes with Italy...and provided that we do not look like losing the war, I have an idea that Italy will veer insensibly towards us and away from the Germans'.[1]

Those in government circles in London, however, generally remained rather more cautious at this early stage. Although Halifax informed the Greek Minister in mid September that 'our information all went to show that the Italians were genuinely concerned to keep out of the war at any rate for the present',[2] he told the War Cabinet on the 19th that he was concerned that the Italian Government might be deceiving Britain as to its real attitude.[3] Cadogan felt that 'Italy is merely waiting to see which side wins', and was concerned that events in Poland were making it look like Germany would be victorious,[4] while John Colville, then working in the Eastern Department of the Foreign Office, noted on 11 September that,

> In general the impression to be gained at the F.O. is not as encouraging as that which the newspapers give. It seems likely that Mussolini's neutrality is very much of a put-up job and that he is still on the best and most intimate terms with Hitler.[5]

Despite these suspicions of Italy, though, the great majority in London shared Loraine's belief that Italian intervention was not imminent. Too much confidence was placed in the factors restraining Mussolini to believe that he could or

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[1]PRO FO 1011/66, Loraine to Halifax, 13 September 1939, p.7 & 27 September 1939, p.2.

[2]PRO FO 434/6, Part XIX, No. 100, Halifax to Palairet, 15 September 1939.

[3]PRO CAB 65/1, 20th Meeting, 19 September 1939, 13th minute.

[4]Cadogan, A., The Diaries of Sir Alexander Cadogan 1938-1945, ed. D. Dilks (London, 1971), 6 September 1939, p.214.

[5]Colville, J., The Fringes of Power: Downing Street diaries - Vol. 1: 1939-October 1941 (London, 1985), 11 September 1939, pp.21-2.

would bring Italy in without a fundamental change of some kind in the war situation, even at this early stage.[1]

It is interesting to compare these initial British views with the reality of the situation in Italy in the opening weeks of the war. As regarded the stance on intervention of the key Italian individuals, Loraine's surmisals were broadly correct, though he seriously underestimated Mussolini's desire to fight. Filippo Anfuso, Ciano's PPS, later recorded in his memoirs, for example, that, 'In those ten months, up to May, 1940, I always found Mussolini in the state of mind of a man, who having decided not to enter the game, is nevertheless determined to get into it as soon as he has gathered his strength'.[2] This lust to intervene militarily was conditioned by several factors, presented here in no particular order. First, there was a fear of being considered a traitor by his German ally, a concern that was great enough to lead him to entreat Hitler on 1 September to release Italy from its obligation to fight under the terms of the Pact of Steel.[3] Second, the Duce was desperate to wipe away what he saw as the indignity of non-belligerence. As one historian has put it,

> after having assumed a warlike attitude for years, after having glorified war as the supreme act in the life of a people, what humiliation in front of the world, in front of Hitler especially, to have to declare that Italy was not ready to face the test!.[4]

Finally, Mussolini was convinced that for Fascist Italy to prove its status as a Great Power, it must intervene in a war

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[1]For example, see BLO MSS Simon 11, diary entry for 10 September 1939, f.21 & BUL NC 18/1/1121, Neville to Hilda Chamberlain, 17 September 1939, f.2.

[2]As cited in Kirkpatrick, I., Mussolini: Study of a demagogue (London, 1964), p.420.

[3]Shirer, W.L., The Rise and Fall of the Third Reich, (London, 1959), pp.603-4. Hitler duly complied.

[4]*'dopo aver assunto per anni attegiamenti bellicosi, dopo aver glorificato la guerra come l'atto supremo nella vita di un popolo, quale umiliazione di fronte al mondo, di fronte a Hitler soprattutto, dover dichiarare che l'Italia non è pronta ad affrontare la prova!'*; André, 'La Politica Estera', p.117.

between Germany and the Allies which promised to decide the fate of Europe.[1]

Unsurprisingly, Mussolini's burning desire to lead his country in war and boost Italian power and prestige was exploited by the Fuehrer. Although Hitler doubted from the start of the war that Mussolini would intervene before Germany had attacked in the West,[2] he was keen to get the Italians into the war at some point, valuing their navy and the psychological impact of their intervention. He sought to pave the way for this by, at almost every opportunity, emphasising his confidence in a German victory, dangling the possibility of spoils in the Balkans and Mediterranean before Mussolini's eyes, and stressing his conviction that the fate of Italy and the Fascist regime was inextricably linked to that of Germany and the Nazi regime.[3]

In the early months of the war, however, practical factors were, as the British appreciated, sufficient to restrain Mussolini's war-like urges, forcing him to admit to Ciano on 16 October that there was no possibility of entering the war before June or July 1940, and that, even then, intervention would be highly doubtful due to lack of supplies.[4] A major problem for the Duce was that the Italian public was vehemently opposed to intervention and anti-German. Marshal Badoglio comments in his memoirs that the Italian people would have preferred a frank declaration of neutrality that would have been more difficult to go back on than the ill-defined state of non-belligerence,[5] and Ciano wrote on 13 September that 'the country is and remains fundamentally anti-German.

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[1]Ciano, Diary, 24 September 1939, p.157.

[2]Schreiber, G., Stegemann, B. & Vogel, D., Germany and the Second World War - Vol. 3: The Mediterranean, South-East Europe, and North Africa 1939-1941 (Oxford, 1995), p.41.

[3]Kirkpatrick, Mussolini, pp.420-1.

[4]Ciano, Diary, 16 October 1939, p.167.

[5]Badoglio, P., Italy in the Second World War: Memories and documents (London, 1948), p.10.

Germanophiles can be counted on the fingers of one hand'.[1] Militarily, the prospects for intervention were even worse. For example, the defences on the border with France were poor and believed to be unlikely to be able to withstand a French assault, and the Army had just ten divisions up to first line strength, the other 35 being under-strength and ill-equipped.[2] Even the Italian Navy, the best prepared of the three Services, had a string of serious weaknesses, from a shortage of destroyers to inadequate stocks.[3] Indeed, an Italian report produced early in the war confirmed that the armed forces were inferior to those with which the country had gone to war in 1915![4] There were, as Marshal Rodolfo Graziani pointed out in his memoirs, 'Deficiencies in every field: in raw materials, in production, in armaments'.[5] Moreover, it was extremely unlikely that these shortfalls would be able to be made up with any speed thanks to Italy's weak industrial base, poor supply of skilled labour, and virtual bankruptcy thanks to the wars in Spain and Abyssinia which had all but obliterated the reserves of foreign currency so crucial to the purchase of strategic raw materials.[6]

Crucially, though, every effort was being made to rectify Italy's military deficiencies from the very start of the war. One of the few advantages that Mussolini saw in Italian neutrality was the opportunity 'to gather economic and military strength, so that we could intervene effectively at the proper moment',[7] and he therefore ordered an increase in

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[1]Ciano, Diary, 13 September 1939, p.151.

[2]Ciano, Diary, 10 & 18 September 1939, pp.149-50, 155.

[3]Mallett, Italian Navy, pp.169-73.

[4]Mack Smith, Mussolini's Roman Empire, pp.198-9.

[5]*'Deficienze in ogni campo: nelle materie prime, nella produzione, negli armamenti'*; Graziani, R., Ho Difeso la Patria (Milan, 1951), p.179.

[6]Knox, Mussolini Unleashed, pp.30-1.

[7]Ciano, Diary, 4 September 1939, p.145.

all armaments production shortly after the outbreak of war.[1] As a consequence, during the first six months of the conflict, the Italians imported from the USA alone nearly five-sixths the total value of their imports for the whole of 1938, completely reversing the former policy of husbanding dwindling reserves of foreign exchange by restricting imports.[2]

In mid September, two new developments were well received by the British Foreign Secretary. On the 15th, Halifax was pleased to learn that Rome had suggested to Athens a mutual withdrawal from the Albanian border, agreement upon which was swiftly reached, and seemed keen to improve Italo-Greek relations in general.[3] Then, on 16 September, the Foreign Secretary informed the War Cabinet that the Anglophile Giuseppe Bastianini was shortly to arrive in London as Count Grandi's successor as the Italian ambassador, an appointment which he described as 'a compliment to this country'.[4]

More worrying for the British were reports of certain Italian military preparations around this time, such as the reinforcement of Libya, but these were considered by the COS to be purely defensive,[5] and, in any event, when news came through that Italian soldiers would be granted leave for the harvest, Noble minuted, 'This is significant; the Italians would hardly be releasing men from the colours if they were contemplating an immediate attack'.[6]

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[1]Mallett, Italian Navy, p.166.

[2]Toynbee, A. & V.M. (eds.), The Initial Triumph of the Axis (London, 1958), p.217.

[3]PRO FO 434/6, Part XIX, Nos. 100 & 111, Halifax to Palairet & telegram from Palairet, 15 & 20 September 1939.

[4]PRO CAB 65/1, 17th Meeting, 16 September 1939, 12th minute.

[5]PRO CAB 66/1, Paper 30, 15 September 1939, pp.11-12.

[6]PRO FO 371/23811, R7776/86/22, telegram from Loraine & minute by Noble, 19 & 20 September 1939.

The Soviet invasion of Poland and the subsequent rapid collapse of the eastern front caused a considerable amount of alarm in London in regard to Italian policy. On 21 September, Loraine reported that, 'The general tone of the press yesterday and to-day clearly indicates the possibility that Signor Mussolini is about to launch a peace campaign, and that the blame for its failure is to be thrown on Great Britain'.[1] Anxiety can only have mounted when it was discovered that Ciano had been sent to Berlin on 1 October, though the British Government's greatest concern was not that an Allied rejection of any peace moves would result in Italian intervention, but that it would enable Berlin to make London and Paris appear in Italian eyes to be the real warmongerers.[2]

It was no doubt fortunate for the British, therefore, that Mussolini decided to remain aloof from Hitler's peace offensive. That this was the case had more to do with the Germans and Russians than the Italians, however. Prevented by practical factors from entering the fray militarily, Mussolini had soon latched onto the idea of arbitrating a negotiated peace. This did not spring from any yearning for peace *per se*, but rather from the desire to escape from the humiliation of having to remain aloof from the war for the foreseeable future,[3] and perhaps to regain some of the prestige he had forfeited by not fighting by taking the lead in arranging a settlement of European affairs as he had done at Munich.[4] As early as 6 September, therefore, the Duce had been looking forward to the possibility of mediating between the Nazis and

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[1]PRO FO 434/6, Part XIX, No. 34, telegram from Loraine, 21 September 1939.

[2]PRO CAB 65/1, 35th Meeting, 3 October 1939, 7th minute.

[3]Ciano, Diary, 24 September 1939, p.157.

[4]For the fact that Mussolini considered it important that any peace that were reached should reflect glory upon himself, see The Times, 9 November 1939, p.7, col.5, highlighting Italy's swiftly evident lack of support for the peace offensive launched by the rulers of Holland and Belgium at that time.

the Allies once Poland had fallen,[1] and Rome had consequently begun to put pressure on Berlin to put forward a generous peace offer, the core of which should be the reconstitution of some form of Polish national state, something which the Italians considered essential if the Allies were ever going to be induced to make peace.[2] It had soon become clear, however, that this was the one thing the Germans could not easily offer thanks to the pre-war agreements made with the Soviet Union which resulted in the formal division of Poland between the USSR and Germany at the end of September.

The Duce's hopes of playing the mediator had taken a severe knock,[3] and they can not have rallied when he was appraised of the course of the impromptu meeting between Hitler and Ciano in Berlin on 1 October. Italy's Foreign Minister had been invited to the German capital just the day before, and the Fuehrer primarily used the meeting not to enlist Rome's support for a peace offensive, but to try to convince the Italians of the desirability of intervening militarily at some point. Hitler showed little interest in the possibility of a peace settlement, unless it were on his terms, and bluntly informed Ciano that his forthcoming Reichstag speech would be the last chance he gave the Allies to end to the war without a major clash of arms.[4] On 6 October, Hitler duly made his speech offering peace on his terms, which, aware of the Allies' probable response, the Italian Government chose not to support, and the British and French promptly rejected it. Mussolini was depressed that an opportunity for him to recover some prestige had passed and that the ignominy of neutrality would continue.[5]

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[1]Ciano, Diary, 6 September 1939, p.146.

[2]DGFP, Series D, Vol. VIII, No. 127, memorandum by Weizsacker, 23 September 1939, pp.125-6.

[3]Ciano, Diary, 29 September 1939, pp.160-1.

[4]Ciano, Papers, record of conversation with Hitler, 1 October 1939, pp.309-16.

[5]Ciano, Diary, 9 October 1939, p.165.

The collapse of Polish resistance led Loraine to muse further upon Mussolini's views. This was no easy task, however, for, throughout the entire period of Italian non-belligerence, Mussolini did not consent to a single meeting with the British ambassador, or, for that matter, with his French counterpart. It was further complicated, moreover, by the fact that the Duce operated in the early months of the war very much in the background, leaving centre stage to Ciano.[1] On 30 September, Loraine, perhaps depressed by the Polish collapse, rather forebodingly reported that, 'Musso is said to be in a state of great depression realising that he has dropped into a position by no means calculated to preserve the respect of the world and he may be thinking that he had better come in on the winning side while there is time'.[2] By 5 October, however, he was opining that Mussolini was wary of an Allied or a Nazi victory,[3] and, shortly afterwards, doubtless reassured by Rome's aloofness from any German peace offensive, stated his conviction that Ciano's consistent anti-German and pro-Allied hints in conversation with him indicated that Mussolini approved of them, though Noble and Nichols back at the Southern Department in London were far from convinced that this was necessarily the case.[4]

Loraine thus picked up on Mussolini's extreme discomfort with neutrality, though he still failed to appreciate the Duce's desire to enter the war as soon as possible. He was right to sense tension in the Duce's relations with the Germans in the opening weeks of the war, however. Mussolini was angry with Hitler for having broken the agreement not to provoke a general war before 1942 and for having made the Nazi-Soviet Pact behind his back, and had therefore explained to his

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[1]François-Poncet, pp.141-2.

[2]PRO FO 371/23798, R8271/9/22, Loraine to Halifax, 30 September 1939.

[3]PRO FO 371/23821, R8681/399/22, telegram from Loraine, 5 October 1939.

[4]PRO FO 371/23821, R8668/399/22, telegram from Loraine & minutes by Noble & Nichols, 10 & 11 October 1939.

ministers on 1 September that 'we are the "betrayed", not the "betrayers"'.[1] This did not prevent Ciano from noting just three days later that 'The Duce expresses full solidarity with Germany, and this is what he really feels',[2] though this in turn did not preclude the occasional fit of pique at the Germans' expense, such as in early October, when Ciano recorded that Mussolini 'is somewhat bitter about Hitler's sudden rise to fame. He would be greatly pleased if Hitler were slowed down'.[3] On the basis that actions speak louder than words, however, it would appear that the Duce remained essentially committed to the Axis in the opening weeks of the war. In early September, for example, he promised to forward to Berlin all the intelligence he could gather about the Allies,[4] and, at the end of the same month, he had, with some difficulty, to be dissuaded from taking the drastic step of acceding to a German request to use Italian submarine bases in the Mediterranean and to help in locating Allied convoys.[5] Mussolini did promise, though, to do all he could to facilitate the passage via Italy of German imports and exports, though the value of this in practice was fairly small as it was explained that, in order to avoid the possibility of war with the Allies, 'only such deliveries could be considered as could be camouflaged and passed through the British control. In particular, it would be necessary to keep at

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[1] *'noi siamo dei "traditi", non dei "traditori"'*; Bottai, G., Diario 1935-1944, ed. G.B. Guerri (Milan, 1982), 1 September 1939, p.157.

[2] Ciano, Diary, 4 September 1939, p.144. Giuseppe Bottai, Italy's Minister of Education and a senior Fascist, reached a similar conclusion at around the same time, noting in his diary that 'Mussolini is still in the position of the Axis' (*'Mussolini è ancora sulle posizioni dell'Asse'*; Bottai, Diario, 5 September 1939, p.160).

[3] Ciano, Diary, 3 October 1939, p.163.

[4] Mack Smith, D., Mussolini, (London, 1981), p.279.

[5] Ciano, Diary, 27 September 1939, p.160.

least approximately within the limits of the past import statistics'.[1]

Throughout October, the general trend of information reaching London regarding the Italians continued to be reassuring. At the start of the month, it was learnt that Mussolini had declared to a group of Fascists in a private meeting on 23 September that, 'Our policy was fixed in the declarations of September 1st and there is no reason to change it. It answers our national interests'.[2] Then, on 17 October, Halifax, reporting on his first meeting with the new Italian ambassador, Giuseppe Bastianini, remarked that, 'All his comments upon German policy and Herr Hitler seemed to be made from a standpoint of complete detachment, which would have been impossible for a representative of one of the Axis Powers a few months ago'.[3] Even the Italian press, which was tightly controlled by Mussolini,[4] had become less pro-German and anti-Allied.[5] Impressed by all this, and doubtless seeking to encourage further such developments, the British decided to grant *de facto* recognition of Albania's new status under direct Italian rule.[6] Anglo-Italian relations clearly appeared to be improving, and this led Halifax to comment on 20 October that 'It really looks, from a great variety of indications which all point the same way, as if we could, without feeling that we were victims of wishful thinking, rest pretty well assured that Italy was not coming in against us'.[7]

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[1]DGFP, Series D, Vol. VIII, No. 277, telegram from Mackensen & Clodius, 19 October 1939, pp.317-18.

[2]PRO FO 371/23798, R8280/9/22, minute by Noble, 2 October 1939.

[3]PRO FO 434/6, Part XX, No. 2, Halifax to Loraine, 17 October 1939.

[4]Mack Smith, Mussolini's Roman Empire, p.212.

[5]PRO FO 434/6, Part XX, No. 3, Loraine to Halifax & enclosure, 24 October 1939.

[6]Barker, p.47.

[7]PRO FO 800/328, Hal/39/44, Halifax to Gort, 20 October 1939.

Also on 20 October, Francis Rodd of the MEW, who had recently been in Italy assisting Loraine with trade and blockade negotiations, produced a memorandum detailing his impressions of the situation in Italy which impressed the Foreign Secretary sufficiently to have it circulated to the War Cabinet on the 24th. Rodd's main impression had been one of fear; fear that Germany would win the war and then launch a punitive expedition against Italy for not joining the Reich. He thought that Italy wanted to remain neutral but considered that

> the policy of keeping out of the war, whatever the economic advantages which are apparent to all, is no easier. A neutrality benevolent to Germany exposes Italy to economic pressure by the Allies without providing the money which is so necessary to keep the existing fabric going. Neutrality benevolent to the Allies exposes Italy to German reprisals and perhaps a military expedition to Trieste to secure a Mediterranean naval base.[1]

Italy's position was thus very precarious and the most obvious conclusion to be drawn from Rodd's paper was that a fundamental shift in Italian policy either in favour of or against the Allies was unlikely unless the military situation developed to the marked advantage of one side or the other.

A fundamental shift in Italian policy, then, could effectively be ruled out for the moment, but events in Rome at the end of October seemed to indicate that the Italian position was not entirely static either. Without warning, at least to foreign observers, Mussolini suddenly shuffled his government, the most notable victims being the long-serving, pro-German Starace, who was replaced as Chairman of the Fascist Party by Ettore Muti, and Dino Alfieri, a fellow pro-German who was moved from the important Ministry of Press and Propaganda to the ambassadorship to the Vatican. Indeed, as Sir Noel Charles, the British chargé d'affaires in Rome (Loraine was in London at the time), reported to Halifax on 1 November, 'Most, if not all, Ministers who have "resigned"...were known to have pro-German sympathies'.[2]

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[1]PRO CAB 67/2, Paper 56, 24 October 1939.

[2]PRO FO 434/6, Part XX, No. 7, telegram from Charles, 1 November 1939.

The initial British response to events in Rome was surprisingly muted. Charles, perhaps influenced by the fact that Ciano had told the French ambassador that the ministerial changes would not affect Italian foreign policy,[1] argued against too much being read into them, commenting that 'while it is all a step in the right direction we should not let ourselves run away with the idea that we have won the battle. Italy will only be guided by her material interest'.[2] Cadogan, while clearly pleased with the changes, also chose not to place too great an emphasis upon them just yet, simply noting in his diary that they were 'All to the good'.[3] Noble was even more sanguine, noting unenthusiastically on 1 November that 'The "change of the guard" is a regular part of Signor Mussolini's technique'.[4]

It is not entirely clear what the Cabinet reshuffle of late October actually signified, though it would appear that its origins lie in Mussolini's desire to remove Generals Pariani and Valle, the under-secretaries at the ministries of war and air respectively, as punishment for the deficiencies of the Army and Air Force.[5] This does not explain the dismissal of the pro-German ministers, however, but the fact that the Italian Cabinet as it was reconstituted had so many friends and proteges of the Foreign Minister in it that it came to be called the 'Ciano Cabinet'[6] indicates that Mussolini's son-in-law successfully managed to exploit the Duce's desire for change for his own ends. Given Ciano's own sympathies and

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[1]PRO CAB 65/2, 71st Meeting, 5 November 1939, 5th minute.

[2]PRO FO 371/23798, R9855/9/22, Charles to Nichols, 1 November 1939.

[3]Cadogan, Diaries, 31 October 1939, p.228.

[4]PRO FO 371/23798, R9573/9/22, minute by Noble, 1 November 1939.

[5]De Felice, R., Mussolini il Duce - Vol. 2: Lo stato totalitario 1936-1940 (Turin, 1981), pp.701-2.

[6]Guerri, G.B., Galeazzo Ciano: Una vita 1903-1944 (Milan, 1979), pp.445-6.

objectives at this time, the reshuffle of the Italian Government can only, therefore, be seen as an attempt to distance Rome from Berlin somewhat, though it is perhaps unlikely that the Duce himself saw this as an aim of the 'change of the guard'. Certainly, the Italian press was careful to try to quash the idea that the reshuffle signified a move towards the Allies, arguing that Fascism remained 'obstinately anti-democratic'.[1]

The British thus had cause to be very satisfied with the trend of Italian policy in the opening weeks of the war. The prospects of Italian non-belligerence lasting seemed very good, Italy had remained aloof from Hitler's peace offensive of early October, and the ministerial changes in Rome and the arrival of Bastianini in London seemed to augur well for the future. There had not even been a hostile reaction to the conclusion of an Anglo-Franco-Turkish alliance on 19 October, a fact which amazed and worried some Germans 'given that the pact would have above all a Mediterranean significance and would constitute therefore a sword of Damocles suspended over possible Italian aims'.[2] In coming months, however, the opening weeks of the war would be looked back on as the high point of Anglo-Italian relations during Italy's period of non-belligerence as things were soon to begin to take a downward turn that would ultimately lead to conflict.

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[1] The Times, 2 November 1939, p.7, col.2.

[2] *'dato che il patto avrebbe soprattutto un'importanza mediterranea e costuirebbe quindi una spada di Damocle sospesa su eventuali mire italiane'*; DDI, 9th Series, Vol. I, No. 864, telegram from Attolico, 23 October 1939, p.553.

Anglo-Italian Economic Relations

Although the British had decided in the early days of the war that they would aim for formal agreements with the Italian Government on both the blockade and trade, during the opening months of the war, they decided to adopt a cautious approach, dealing with matters on a largely *ad hoc* basis, seeking to get a feel for the climate in Rome in regard to the prospects for formal agreements on economic issues, and holding back suggestions for comprehensive deals until such time as it was felt they would have the best chance of being accepted. The story of Anglo-Italian economic relations during the first four months of war is therefore rather fragmentary.

To begin with the blockade, the order was finally given on 25 September for full contraband control procedure to be put into operation throughout the world.[1] This was followed, in early October, by the War Cabinet agreeing that, in spite of the adverse effect it might have in Italy, the interception and examination of mails on neutral vessels should be introduced in the interests of blockade policy.[2] Loraine had commented on 20 September that the Italians 'have shown no disposition to resent our control',[3] and, perhaps surprisingly, this initially appeared not to change after the introduction of these measures. This was possibly largely due to special assurances given to the Italian Government in early October that vessels outward bound from the Mediterranean would not normally be examined within the inland sea, and that vessels proceeding to the East or across the Atlantic would normally only be boarded to establish identity and destination,[4] sensible concessions which reduced the number of times Italian

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[1]PRO ADM 199/2124, Blockade History: Mediterranean, Section II, pp.6-7.

[2]PRO CAB 65/1, 36th Meeting, 4 October 1939, 10th minute.

[3]PRO CAB 66/1, Paper 49, 25 September 1939, Annex III, p.8.

[4]PRO ADM 199/2124, Blockade History: Mediterranean, Section II, p.16.

ships were stopped for inspection without seriously undermining the exercise of contraband control in any way, as vessels outward bound from the Mediterranean destined for Germany or an adjacent neutral state would be stopped in British home waters, whilst ships heading across the Atlantic or into the Indian Ocean would be examined upon their return to Europe.

Attempts to discuss contraband control with Rome in the early weeks of the war were made tentatively, but they had nonetheless resulted by mid October in the Italians stating that they were willing, as part of an agreement, to give a guarantee not to re-export to Germany goods of French or British origin. For the moment, Rome was not willing to undertake any definite commitments regarding the limitation of Italo-German trade in general, Britain's ideal goal, though the Italian Government had pointed out that Italy's own shortage of raw materials and the Reich's considerable deficit in Italo-German trade mitigated against large scale Italian sales to Germany anyway.[1] To encourage further progress in these negotiations, it was decided that the prestigious inward-bound transatlantic Italian liners should temporarily be treated with special leniency.[2]

Contrary to the promising nature of these early developments in regard to the blockade, opening discussions in Rome about trade did not go well. The main problem at this stage was the form payment for increased British purchases in Italy should take. The Italian authorities initially asked for it in US dollars, but the Treasury was set against this, preferring instead to pay through the Anglo-Italian clearing arrangement,[3] so as to arrest the trend of this account

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[1]PRO FO 837/493, memo by Rodd, 12 October 1939, p.4 & CAB 67/1, Paper 47, 20 October 1939, pp.3-4.

[2]PRO ADM 199/2124, Blockade History: Mediterranean, Section II, p.10.

[3]This was an arrangement whereby Britain and Italy could purchase goods from each other at a predetermined exchange rate between the lira and the pound by building up

falling into arrears and to retain valuable and scarce foreign currency for purchases from countries with which Britain did not have a clearing agreement.[1] Also at stake on this issue was the fact that payments in free currency would allow Italy access to goods from all over the world, a potentially dangerous situation in regard to the blockade and Italian military preparedness, whereas payments into a clearing account would restrict Italian purchases made using the profits of trade with Britain to British and Empire sources, thereby giving London a greater degree of control over Italian imports. Faced with a British rejection of their initial demand, the Italians soon softened their position, stating that they were prepared to accept half of the payment for their goods through clearing, but now insisting that the other half be paid for in free sterling at a guaranteed exchange rate, allegedly so that Italian manufacturers could buy the raw materials from non-British sources that they needed in order to produce the goods the British wanted to buy.[2]

At the end of September, Francis Rodd of the MEW and Edward Playfair of the Treasury arrived in Rome as special advisors to Loraine on economic issues, and their arrival coincided with something of an upturn in Anglo-Italian discussions. On 6 October, for example, Loraine was able to report that the Italians had agreed, against expectations, that payment for increased British purchases should go through clearing,[3] and, the next day, he sent a telegram informing London that the Italian authorities had suggested the establishment of an Anglo-Italian Joint Standing Committee, along similar lines to one established between Italy and France some years ago, to

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credit in a clearing account which one country could then use to pay for goods from the other.

[1]PRO T 160/936, F13456/02/1, telegram to Loraine, 20 September 1939 & FO 371/23827, R7957/7058/22, telegram to Loraine, 22 September 1939.

[2]PRO T 160/936, F13456/02/1, telegram from Loraine, 26 September 1939.

[3]PRO FO 371/23804, R8542/41/22, telegram from Loraine, 6 October 1939.

deal with economic issues.[1] This progress is perhaps largely explained by the fact that Italo-German trade talks had by this time 'reached a deadlock owing to German insistence on the Italians continuing to export against payment to the credit of Italy in clearing',[2] but little of concrete value had yet been achieved in Anglo-Italian trade, and Loraine urged that 'It would, I think, now be advisable to get through some large scale purchase as soon as possible, both for its political effect and to prevent clearing breaking down'.[3]

The French, meanwhile, following the advice of their ambassador in Rome, who shared with Loraine the belief that the best way to cement Italian neutrality was to show Rome that it was profitable,[4] had adopted a much more vigorous approach to the issue of increasing trade with Italy than the British. This was partly because Paris had considerable economic, as well as political, reasons for wishing to boost its trade with Rome, as the French had as great a need of certain armaments which Italian industry could provide as Italy had of raw materials from French sources for its own rearmament programme.[5] Following a French note on 6 September suggesting secret talks on commercial issues, Italian and French ministers had met at San Remo on 14-15 September and agreed a programme of economic exchanges worth no less than 5,000 million francs, and encompassing the provision by Italy to France of important war materiel and by France to Italy of vital raw materials. Such rapid progress makes British policy look lacklustre, but it had only come at the price of giving way to an Italian demand that a large proportion of the French

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[1]PRO FO 371/23804, R8684/41/22, telegrams from Loraine, 6, 7 October 1939.

[2]PRO T 160/936, F13456/02/2, telegram from Loraine, 11 October 1939.

[3]PRO ADM 116/4173, M.013284/39, telegram from Loraine, 8 October 1939.

[4]François-Poncet, p.140 & PRO FO 371/23820, R7686/399/22, telegram from Loraine, 17 September 1939.

[5]Guariglia, R., La Diplomatie Difficile: Mémoires, 1922-1946 (Paris, 1955), p.135.

purchases should be paid for in precious dollars, a concession which so concerned London that Paris felt compelled to promise not to agree to any further dollar expenditures without British agreement.[1]

The progress of talks on Anglo-Italian trade thus far was reviewed at an interdepartmental meeting held at the MEW on 17 October. Playfair, who had returned with Rodd from Rome to debrief, explained that all payments would be through clearing for purchases in the whole sterling area of the Empire, except for certain special cases in which payment would be in raw materials. As things stood, it appeared that Britain wanted to buy goods to the value of £15,000,000 per annum from Italy, but that the Italians wanted £40,000,000 worth of goods every year from Britain and the Empire.[2] Given Treasury guidelines established at the start of the war that clearing arrangements 'should not be used as a channel for lending to neutrals by the creation of a balance in our favour', especially if 'the resources so acquired enabled the neutral to lend openly or disguisedly to the enemy', this meant that the bulk of the purchases the Italians wished to make would have to be payed for in free currency. In the light of the fact that Italian foreign exchange reserves were little more than half what they had been at the end of 1938, the probability was clearly that Italian purchases from British and Empire sources would only amount to around the level of British purchases from Italy. This might lead to a certain degree of frustration, perhaps even bitterness, on the part of the Italians, unless Britain was prepared greatly to increase the amount it wished to buy from Italy. However, as Playfair informed the meeting, departments were not at the moment being asked to buy from Italy what they did not need in order to increase the level of

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[1]Shorrock, pp.273-4 & d'Hoop, 'La Coopération Franco-Britannique', pp.295-6.

[2]By way of comparison, pre-war commercial exchanges conducted through the Anglo-Italian clearing, which admittedly did not encompass all the trade between the two countries, had more or less balanced at around £4,000,000 per year (PRO FO 1011/69, 'Report on Mission to Italy' by Loraine, 12 August 1940, para.94).

British purchases. Rather, they were only being asked to buy 'things that might otherwise be bought elsewhere in dollars or other currencies, and to buy as much of them as possible within the limits of the Clearing'. Even this might prove tricky, though, as it was noted that the Italians had shown little desire to market manufactured goods, with a few exceptions, such as gloves, but were instead keen to sell large quantities of agricultural produce.[1]

Shortly after this interdepartmental meeting, the MEW produced a report for the War Cabinet on Anglo-Italian economic relations. It affirmed that discussions had taken place 'in a completely friendly atmosphere', and strongly advocated the purchase of additional Italian goods for war purposes, as 'such purchases are of political importance as enabling the Italian Government to realise some of the benefits of neutrality'. Furthermore, as such purchases would be paid for by increasing sterling proceeds in the Anglo-Italian clearing fund, Britain would not only increase its control over what Italy could buy, but such purchases as the Italians made would be covered against re-export to Germany if the proposed Italian guarantee not to sell British or Empire imports on to the Reich could be incorporated into an agreement.

The main point with which the MEW report dealt, though, was the Italian suggestion for a permanent Anglo-Italian committee at Rome. The Ministry had provisionally agreed to the suggestion, and the Italians had consequently submitted a draft agreement for the establishment of the body. This did not specify in any detail the precise functions of the proposed committee, but was sufficiently general to allow interpretation to cover most areas of Anglo-Italian economic relations. As it had no clauses which would inhibit the exercise of contraband control, the War Cabinet was urged to

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[1]PRO FO 837/493, 'War Trade Arrangements with Italy', 17 October 1939, T 160/936, F13456/02/1, Hawtrey to Gwatkin, 6 September 1939 & FO 371/23815, R8730/336/22, telegram from Loraine, 11 October 1939.

accept the Italian draft, with a slight modification to ensure that it was not established as an executive organ.[1]

The agreement to establish an Anglo-Italian Joint Standing Committee was subsequently signed in Rome on 27 October, and the body was rapidly set up. Rodd, who was made temporary head of the British delegation, soon realised the limited value of the committee, however, commenting in a report of 7 November that,

> It had soon become apparent that Senator Giannini's [the head of the Italian delegation] personality and capacity for irrelevant argument would make formal meetings otiose. It was therefore decided as far as possible to proceed by informal sub-committees.[2]

On the same day that the arrangement to establish the Joint Standing Committee was signed, an interesting suggestion for strengthening Italy's neutrality by economic means was put before the War Cabinet. An unidentified 'secret but reliable source in Italy' urged the Allies to offer direct economic assistance to Rome, as this would bring about 'a marked swing-over of public sentiment' to their side.[3] Halifax had toyed with the idea of a loan to alleviate some of Italy's economic difficulties, most notably shortage of foreign exchange, in late July, as a means of weakening the Axis, and so had asked Loraine for his opinion. Sir Percy's reply had been negative, pointing out that Guarneri, the Italian Minister of Currency and Exchange, had said repeatedly that he did not want a foreign loan, as it would undermine his policy of cutting inflation.[4] This naturally killed any prospect of a loan being offered at that time, but new circumstances had been brought about in the wake of the outbreak of war. As we have seen, Guarneri's careful programme of husbanding resources to

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[1]PRO CAB 67/1, Paper 47, 20 October 1939.

[2]PRO FO 371/23806, R10175/41/22, report by Rodd, 7 November 1939, Part III, para.20.

[3]PRO CAB 65/3, 62nd Meeting, 27 October 1939, 8th minute.

[4]PRO FO 1011/66, Halifax to Loraine & reply, 25 July & 1 August 1939.

fight inflation had been abruptly dropped and a massive importation of goods begun. In such conditions, a foreign loan would certainly have been economically attractive to the Italian Government, but, in the light of Rome's continued alliance with Germany, it would surely have been politically impossible to accept, especially as it would presumably only have come with a substantial *quid pro quo*, such as guarantees of continued neutrality, given that the British would have effectively been offering Italy a good means of improving its military position. Any debate over the political potential of a British loan to Italy, or indeed whether one would have been accepted, must remain academic, however, as one was not seriously considered, let alone offered.

Meanwhile, back in Rome, it had been agreed that, due to the potentially large increases in the level of Anglo-Italian trade in the near future, efforts should be made to negotiate a new clearing agreement. It soon became apparent, however, that consensus on the distribution of funds among the various sub-accounts, such as coal and arrears, within the proposed new arrangement was going to be extremely difficult to reach. The Italians wanted to be able to spend their proceeds in the clearing as freely as possible, but the British were keen to channel the manner in which Rome could dispose of the credit to be generated by the proposed increase in British purchases in the interests of wiping out the present substantial arrears in payment for British coal exports to Italy, creating the facilities for the Italians to increase their imports of British coal in the future, and limiting Italy's access to strategic raw materials which would either aid the German war effort if forwarded to the Reich or allow Italy markedly to improve its own military preparedness. Both sides adopted a firm position on this issue, with the result that, although trade between the two countries continued on the basis of the existing clearing arrangements satisfactorily enough, little progress was made towards drawing up a new agreement better suited to the changed circumstances before negotiations were

temporarily suspended following the breakdown in Anglo-Italian economic talks in February 1940.[1]

Although there had initially been no problems with the Italian Government over contraband control, it was becoming clear by the middle of October that this was changing. A particularly tricky difficulty was that shipping coming into the Mediterranean from the Black Sea was having to be diverted all the way to Haifa in Palestine for inspection, and this was leading to increasing complaints, particularly from the Italians. Approval had already been given for the establishment of a contraband control base at Malta, but this would still require a considerable diversion for shipping bound for Adriatic ports. The idea was therefore mooted in London of approaching Athens with a view to resolving the problem and, even more important, tightening control of traffic through the Aegean by establishing a base near the Dardanelles on Greek soil, but this was swiftly dropped, paradoxically largely due to concern over how neutrals, especially Italy, would react to such an infringement of Greek neutrality. Instead, it was decided that a patrol would be established off the Dardanelles, a move which tightened the blockade but did little to reduce delays to Italian shipping.[2]

By the end of October, Rome's increasing irritation at the imposition of contraband control was clear, as almost every case in which an Italian ship was detained was producing an informal protest, even though Italian ships were receiving preferential treatment to which other neutrals were beginning

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[1]PRO T 160/936, F13456/02/2-5, October-November 1939, T 160/937, F13456/02/6-9, November-December 1939 & T 160/938, F13456/02/10-12, January-February 1940. In any case, a new clearing agreement was always going to be held up until it had been agreed at least roughly how much each country was going to purchase from the other over a set period of time, something which was not really resolved until the British forwarded proposals to spend £25 million in Italy in 1940 in mid December 1939.

[2]PRO CAB 80/4, Paper 103 JP, 27 October 1939 & CAB 79/1, 62nd Meeting, 29 October 1939, 4th minute.

to object.[1] It seemed to Loraine that 'things here are brewing up for an explosion' over the blockade, a warning which prompted Halifax to write to the MEW asking that it help 'to reduce to the absolute minimum compatible with the efficient administration of our contraband control the inconvenience caused thereby to Italian shipping'.[2]

After two months of war, London was thus beginning to get caught on the horns of a dilemma in regard to the blockade in the Mediterranean. To loosen contraband control in the inland sea significantly would make it less effective and further antagonise neutral states whose ships were already being treated less leniently than those of Italy, while to leave it as it was promised to bring yet greater complaints from the Italian Government. Anglo-Italian trade relations were also far from satisfactory. Provisional agreement had certainly been reached on some questions, particularly the form of payment for British purchases in Italy, but little had yet been achieved in concrete terms. There remained much to be done if economic issues were to play an important part in the hoped for rapprochement between London and Rome.

British Military Policy in the Mediterranean and Middle East

From late September, efforts were made to put the handling of the question of the appropriate level of British forces in the Mediterranean and Middle East on a more formal basis. A vitally important factor in this was the Balkan question, for although the British hoped that they would not have to fight in this region, they nonetheless felt the need to prepare to assist at least in Turkey's defence should the Germans launch a drive towards the Straits, and that aid would have to be drawn from forces in the Mediterranean and Middle East due to the need not to weaken the Allied position in north-west Europe.

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[1]PRO CAB 68/2, Paper 59, 31 October 1939, p.6.

[2]PRO FO 371/23828, R9370/7174/22, telegram from Loraine & Halifax to Findlay, 26 October & 2 November 1939.

When the Anglo-French Permanent Military Representatives (PMRs) held a meeting on 26 September to discuss the Balkan question, therefore, it also had significant implications for military policy in the Mediterranean and Middle East. A Frenchman, General Lelong, dominated the discussion. He argued that 'it was important to convince [Italy] that we were strong and that retribution could fall upon her', and therefore advocated that strong forces capable of acting against Libya and Abyssinia be maintained in the theatre, views with which Admiral Chalmers, the senior British representative, agreed. In regard to the Balkan question, the PMRs urged that preparations be made to help defend the states of South-East Europe, particularly Turkey, against possible German attack,[1] and their report consequently advocated that the Allies should give 'the utmost possible support to Turkey' and organise 'in the Levant and Egypt an ample supply base and a well-equipped Franco-British force'.[2]

Concern about a possible German drive towards the Straits was thus giving those who favoured reinforcing the Middle East the upper hand by the end of the first month of the war. It was at this point, however, that the suggestion was put forward in London for a radical swing in policy in the opposite direction. On 6 October, at a meeting of the War Cabinet, Lord Chatfield, the Minister for Coordination of Defence, urged that Rome be approached with a view to the mutual withdrawal of forces from North Africa and the establishment of a detente in the Mediterranean, the aim being to free British forces for deployment in more active theatres. Halifax then raised an idea of Churchill's that Italy be invited to cooperate with the Allies in keeping the Mediterranean Sea free from war.[3]

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[1]PRO CAB 85/1, 22nd Meeting PMR, 26 September 1939, 1st minute.

[2]PRO CAB 66/2, Paper 70, 3 October 1939, p.12.

[3]PRO CAB 65/1, 39th Meeting, 6 October 1939, 8th minute.

The COS report produced in response to these ideas was unreserved in its recommendation that neither should be taken any further. It argued that an attempt to get Italy to cooperate in keeping the Mediterranean free from war, which, as envisaged by Churchill, would involve Rome joining with the Allies in declaring a ban on German submarines operating within the inland sea, would be very unlikely to win Italian support, as it would strain Rome's relations with Berlin and would be on shaky ground under international law. To have any chance of being accepted, the COS considered that Churchill's proposal would almost certainly have to be expanded to encompass a more general neutralisation of the Mediterranean which would include the removal of contraband control in that sea, giving Germany greater access to goods within the region and probably leading to calls for the blockade to be dropped elsewhere. This was not a price worth paying, as the COS argued that even if Rome did agree to cooperate in suppressing submarine warfare in the Mediterranean, that would not sensibly allow the Allies to abandon their own anti-submarine precautions in the area, and so the extent to which the western European powers would be able exploit the situation by withdrawing scarce destroyers to more active theatres would be limited.

The COS's rejection of the idea of a mutual withdrawal of land and air forces was even more forceful. They opposed it on the following grounds:

(a) Italy would be able to move forces back far more quickly than Britain.
(b) It would undermine the idea of building up a reserve of manpower in the Middle East as recently advocated by the PMRs.
(c) It would encourage unrest in the Middle East.
(d) It would lessen British influence in South-East Europe.
(e) It might prevent Dominion forces gathering in the Middle East either as part of the reserve of manpower or en route to other locations.

The COS also considered a redistribution of British forces within the Middle East in the form of a withdrawal from Egypt to Palestine, but this raised the following points:

(a) It would strain relations with the Egyptians, who were fearful of an Italian attack.

(b) Indian troops, which made up a sizeable portion of the Egyptian garrison, had been assured they would not be stationed in Palestine where they might become involved in internal disturbances.
(c) It would be far easier for Italy to move troops from western Libya to the border of Egypt than for Britain to move forces from Palestine to the Egyptian-Libyan border.

The COS therefore concluded that they could not advise any withdrawal or redistribution of forces; indeed they advocated the build up of additional forces in the Middle East as proposed by the PMRs.[1]

The idea of maintaining a fairly strong British position in the Middle East and Mediterranean had thus essentially been reaffirmed, yet those who favoured improving it still faced serious difficulties. By far the greatest of these was that other theatres, most notably France and Britain, had priority over the Middle East for reinforcement. For example, when the Air Officer Commanding in the region asked London in October whether there were any plans to increase his forces, he received the reply that the main problem for the moment was the attempt to expand the RAF into a force capable of gaining and maintaining air superiority above the Western Front, and that consequently there was no possibility of reinforcement in the near future.[2] Similarly, the Deputy CIGS felt compelled at the end of the same month to advise that ten AA guns earmarked for despatch to Aden in November should be diverted to the air defence of the United Kingdom.[3]

The absolute primacy of north-west Europe for the deployment of resources was not universally accepted, however. At a COS meeting held on 25 October, the CIGS commented that 'There was a tendency for the French to regard British assistance solely in terms of the number of men we could send to the Western Front and for constant pressure to be put on us to send every

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[1]PRO CAB 66/2, Paper 85, 17 October 1939.

[2]Playfair, I.S.O., The Mediterranean and Middle East - Vol. 1: The early successes against Italy (to May 1941) (London, 1954), p.61.

[3]PRO CAB 82/4, Paper 31, 28 October 1939.

available man to France'. Ironside considered that this ran the danger of starving other important areas of resources and argued that a limit should be placed on the number of divisions Britain proposed to send to France. Concerned particularly about the German and Russian threat to Turkey and the Allied position in the Middle East, he urged that Britain should aim to build up in that theatre a force of twelve divisions, the maximum he believed could be maintained there. Ironside's fellow chiefs were obviously impressed with his argument, for they agreed that full consideration should be given to the extent to which Britain should build up its forces in the Middle East with regard to the various possible future courses of the war.[1]

Despite the demands of other theatres, there was thus at least some prospect of land forces in the Middle East being reinforced in the near future, even if attempts to improve the air situation seemed doomed to failure. Britain's naval position in the Mediterranean, however, had begun to deteriorate by this time, Cunningham's main fleet having been reduced to just two battleships. This was no result of diplomatic meddling in naval affairs aimed at appeasing Italy, though, but rather a reflection of the growing confidence in Italian neutrality and, most importantly, the greater than expected menace of the German Navy. The carrier, *Glorious*, and the battleship, *Malaya*, the latter being replaced by the slower *Ramillies*, had been despatched to the Indian Ocean to hunt for raiders in early October, and the flagship, HMS *Warspite*, had been recalled to join the Home Fleet and increase the strategic advantage over the German Fleet in the North Sea at the end of the same month.[2]

Thus, by the end of the second month of the war, there were strong indications as to the probable future of Britain's

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[1]PRO CAB 79/1, 58th Meeting, 25 October 1939, 2nd minute.

[2]PRO ADM 199/389, Mediterranean Station War Diary, 9 & 28 October 1939, pp.48, 69.

military position in the Mediterranean and Middle East, with the naval presence having been reduced, the air position remaining unchanged, and the situation on land showing signs of likely improvement. Military policy as regarded the level of forces stationed in the region therefore remained overall as much in tune with the idea of maintaining at least some form of credible deterrent to Italian intervention as it did with that of appeasing Rome by reducing, or at least not increasing, Britain's military presence in the theatre.

The Balkan Question

With the French showing little sign of giving up on their push for a more vigorous Balkan policy and with the matter due to be discussed by the Supreme War Council on 22 September, the War Cabinet addressed the issue on the 21st. For the first time, there was an open challenge to the current trend of British policy. Churchill had already written to Chamberlain on 15 September, arguing that a combination of the Balkan states would be 'very powerful' and that, if such a combination were to be brought about in response to external aggression, Italy would not necessarily be estranged by it.[1] The French clearly had a powerful ally at the heart of the British Government who shared their outlook, and at the War Cabinet meeting the First Lord took things further, stating that 'he would like to see all the Balkan countries and Turkey also brought into the war, especially if this could be secured with Italy's acquiescence'. He believed that 'it was not at all to our interest that the Balkans should be kept in a state of quiet, whilst France and ourselves were left to bear the full brunt of the German assault on the Western Front'. The First Lord failed to win his colleagues over, however, Halifax maintaining that a vigorous Balkan policy would only encourage the Germans to overrun the region country by country, and the Chief of the Air Staff (CAS) and CIGS arguing against

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[1]Churchill, W.S., The Churchill War Papers - Vol. 1: At the Admiralty, September 1939-May 1940, ed. M. Gilbert (London, 1993), Churchill to Chamberlain, 15 September 1939, p.98.

extending the war to the area at this stage, primarily for fear of an adverse Italian reaction.[1]

The meeting of the Supreme War Council the next day was dominated by the dispute over the Balkans. Daladier argued that it was essential to prepare at least a token Allied force to deploy to Salonika or, if the Italians opposed this, Constantinople to combat a German drive towards the Straits which the French, incorrectly, suspected was imminent. Such a force would 'act as a cement for the Balkan nations', in the absence of which their collapse would be inevitable and would result in Italy entering the war to gain a share of the spoils in the region. Chamberlain countered by expressing the COS's opinion that the Allies could do little to prevent the collapse of the Balkan states should the Germans attack in strength and pointing out that it would perhaps be unwise to divide Allied forces and create an extended and vulnerable line of communications through the Mediterranean by sending troops to South-East Europe. He also raised doubts as to the suitability of Salonika and Constantinople as bases, but most important was the effect an Allied deployment in the Balkans might have in Italy. Chamberlain's words did little to persuade Daladier to drop the idea of a Balkan front entirely, but the Frenchman did at least reaffirm the necessity of seeking Rome's opinion on the whole affair before major action was taken. The British Prime Minister now commented that overt plans to send an Allied force to the Balkans were hardly compatible with efforts to encourage the formation of a neutral bloc in the region. Daladier agreed, and even stated that, if such a bloc could be formed, no Allied force would need to be deployed in the theatre. However, the Frenchman continued that if such a bloc could not be formed, he would consider the Allies duty-bound to offer assistance to such states in the region as wished to resist German aggression. At the end of the meeting, it was clear that the Allies were no nearer to a definite consensus over Balkan policy than they had been at the start, and all the SWC could do to try to

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[1]PRO CAB 65/3, 22nd Meeting, 21 September 1939, 12th minute.

achieve progress was authorise an examination by the PMRs of the possibility of establishing and maintaining an Allied force in South-East Europe.[1]

The PMR committee met on 26 September to discuss the drafting of a paper on this subject. The meeting was a great success for the British as it saw the French representatives give way in two crucial areas. First, the French PMRs accepted that a Balkan intervention was not advisable at the moment, though they urged that such an intervention should be prepared diplomatically and militarily from the present time, the core of this being a build up of forces in the Middle East. Second, and equally important, they agreed that, should Italy become hostile, no large scale Balkan intervention should be risked, as forces which would be used for such an operation would instead be needed to defend British and French interests in the Middle East and Africa.[2]

In their report, the PMRs crucially argued against any Allied deployment in the Balkans ahead of a German invasion of the region. Should such an attack materialise, moreover, they advised that, due to the many logistical difficulties involved in a Balkan intervention, including the provision and protection of shipping, the low capacity and weak defences of ports in the Levant, and the poor state of land communications in the region, the Allies should at first form a front based on Turkey. Then, assuming Italy remained neutral, no measures, particularly those related to a landing at Salonika, should be taken which might offend its susceptibilities before Rome could be consulted so as to ascertain its probable reaction. So long as the Germans did not attack into the Balkans, the PMRs urged that the Allies should work towards improving the prospects of resisting such an assault should one develop in the future, which should involve;

(i) Giving the utmost possible support to Turkey.

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[1]PRO CAB 99/3, 2nd Meeting, 22 September 1939, pp.2-6, 9.

[2]PRO CAB 85/1, 22nd Meeting PMR, 26 September 1939, 1st minute.

> (ii) Organizing in the Levant and Egypt an ample supply base and a well-equipped Franco-British force.
> (iii) Encouraging the establishment of a durable Balkan bloc, benevolently disposed towards the Allies.[1]

The essence of the PMRs' deliberations on Balkan policy was thus considerably closer to British than French designs, and this served to dampen, at least temporarily, the ardour with which the French had hitherto pressed for the adoption of a more vigorous policy. The dispute had not yet been resolved once and for all, however, as the PMR report was merely advisory. There remained much wrangling ahead.

Despite its general opposition to any action in the Balkans which might offend Italian susceptibilities and increase the risk of Italy entering the war, London took a slightly different attitude as far as relations with Turkey were concerned. Turkey was the one state in the region that the British valued militarily, and its strategic position was such (control of the Straits, buffer between Europe and Allied possessions in the Middle East) that it was crucial to the Allies that it should not align itself against them. Britain, and to a lesser extent France, had therefore been vigorously courting Turkish friendship since the mid Thirties,[2] and seeking a firm military alliance with Ankara to balance a possible Italian intervention on Germany's side since spring 1939. By the outbreak of war, however, this had still to be achieved.

Given the fact that Italy and Turkey were on far from friendly terms in 1939 following thirty years of dispute, and even war, between the two over territorial issues such as Libya and the Dodecanese, a policy of affiliation with Ankara was hardly calculated to improve the Allies' standing in Rome. However, rather than responding to Italian non-belligerence by cooling relations with the Turks as they did with the other states of South-East Europe, the British intensified their efforts to

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[1]PRO CAB 66/2, Paper 70, 3 October 1939.

[2]Pratt, pp.140-7.

wring a formal military alliance from the Turkish Government. Indeed, the significance attached to the Turkish alliance was great enough to prompt even Halifax to comment in early September that the 'importance of meeting the Turkish point of view was such as to outweigh the possible bad effect on Italy', when the Cabinet was discussing the form of words for article one of the proposed Anglo-Franco-Turkish Treaty.[1]

The extent to which London was prepared to ignore the Italian factor in its relations with Turkey should not be exaggerated, however. Allied involvement in Turkey was unlikely to be as provocative to the Italians as interference in Greek or Yugoslav affairs, largely because Turkey's status as a former Great Power and its greater distance from Italy meant that Italian pride and prestige would not be so challenged by an active Anglo-French policy. Moreover, evidence of appeasement of Italy can certainly be found in Anglo-Turkish relations in the early stages of the war. It will be remembered, for example, that the British refused to enter into discussions with the Turks for the recapture of the Dodecanese, even though this was a matter of national pride in Ankara, for fear of the damage that would be done to relations with Rome should the Italians somehow gain knowledge of them.[2]

Despite Britain's stance on this crucial issue, however, the Turks did eventually sign the Anglo-Franco-Turkish Treaty on 19 October.[3] Aware of the damage that announcement of the pact might do to relations with Italy, assurances were given to Rome by the Allies that it was not directed against Italian interests,[4] and the passivity with which the Italian Government received news of the alliance suggests that these were not unsuccessful. The Treaty promised the unspecified

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[1]PRO CAB 65/1, 8th Meeting, 8 September 1939, 6th minute.

[2]PRO CAB 79/1, 21st Meeting, 18 September 1939, 5th minute.

[3]Woodward, 1, pp.23-7.

[4]The Times, 23 October 1939, p.8, col.5.

mutual assistance in the event of war in the Mediterranean caused by the aggression of a European power that the Allies had sought, but the Turks had demanded a high price for their signature, including £40 million for rearmament and a secret, though unspecific, promise to assist in the recapture of the Dodecanese.[1]

In contrast to the apparent success of Allied policy towards Turkey, efforts to form a neutral bloc of all the Balkan states were proving futile by the end of October. All Britain could do within the limits imposed by the desire not to risk offending the Italians was encourage the states of South-East Europe to forget their differences and unite in a grouping pledged to avoiding becoming embroiled in the war, a process which had been initiated in the first week of the war.[2] At the end of October, Halifax stressed the importance of including Italy in efforts to build a neutral Balkan bloc and reported that Loraine had been instructed to sound Ciano out on the subject.[3] Had Britain tried to include Italy at an earlier date, this might have succeeded, for the Italians had toyed with the idea of forming a neutral bloc in the Balkans themselves in September and early October in order to keep other powers out of an area which they liked to see as their own sphere of influence, but, by this stage, Mussolini had decided to torpedo the scheme so as to maintain a greater degree of freedom to enter the war at a later date by avoiding any overly strong suggestion of definite Italian neutrality.[4]

At the same time as London tried to bring Rome into its plan for a Balkan bloc, the Romanians launched their own initiative on lines very similar to those envisaged by the British. The

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[1]PRO CAB 66/2, Paper 63, 1 October 1939 & Woodward, 1, pp.25-6.

[2]PRO CAB 65/1, 8th Meeting, 8 September 1939, 10th minute.

[3]PRO CAB 65/1, 61st Meeting, 26 October 1939, 9th minute.

[4]Lowe & Marzari, pp.353-6 & Knox, Mussolini Unleashed, pp.50-2.

bloc was to include Romania, Yugoslavia, Greece, Turkey, Bulgaria, Hungary and, most significantly, as it would have cemented its neutrality, Italy. It would not be a military alliance with each state pledged to come to the defence of the other in event of an attack by an external power, but it did provide that should such an attack materialise, each member of the bloc would observe towards the victim at least benevolent neutrality.[1]

A meeting of Foreign Office officials was held in Halifax's room on 3 November to discuss the idea of a neutral Balkan bloc, but although all agreed that such a body would be ideal, Loraine, who was present, urged that London should follow an observatory course only, allowing Rome to pursue the policy with regard to South-East Europe that it chose and not seeking to influence the Italian Government's decision.[2] Thus the possibility of Italy joining or leading a bloc of neutral states, and thereby cementing its own neutrality, was to pass beyond the scope of British Government policy.

The Foreign Office was by this stage holding out little hope for the successful formation of a neutral Balkan bloc anyway. The main problem seemed to be the dispute between Bucharest and Sofia over the Southern Dobrudja, an area inhabited by Bulgars but forming part of the Romanian state.[3] In reality, this was just one of a number of such disputes, and one historian of the region has sagely commented that, 'The British plan for a "Balkan bloc" was undermined from the start by the territorial disputes of the area'.[4] Indeed, even had the Balkan states been able to overcome their deep-rooted differences, and attempts were made,[5] it is still unlikely

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[1]PRO CAB 65/2, 69th Meeting, 3 November 1939, 7th minute.

[2]Harvey, Diaries, 3 November 1939, p.327.

[3]PRO CAB 65/2, 70th Meeting, 4 November 1939, 7th minute.

[4]Barker, p.13.

[5]Barker, pp.11-12.

that a Balkan bloc would have been formed due to opposition to it from Germany, Italy and the Soviet Union.[1] These powers were in a far stronger position to influence Balkan governments than were Britain and France, principally because of the greater proximity of their armed forces, but also, at least in the case of the Germans, thanks to their economic preponderance in the region.[2]

By early November, therefore, the issue of Balkan policy was in reality little nearer to being definitively resolved than it had been in mid September. Despite being prepared to risk offending Italy by making an alliance with Turkey, London remained firmly opposed to the vigorous Allied involvement in the Balkans that Paris had not yet dropped as an idea. French ardour for such a strategy had certainly died down in the wake of the PMR report, but the increasing obviousness of the impracticability of a neutral Balkan bloc being formed threatened to resurrect the French Government's interest in adopting a more active policy in South-East Europe to compensate. The dispute had not yet run its course.

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[1]Lowe & Marzari, pp.356-8.

[2]Barker, pp.6-8.

CHAPTER FOUR - NOVEMBER TO DECEMBER 1939

Britain and Italian Foreign Policy

Despite the sanguine response initially given to them, the changes in the Italian Government at the end of October clearly had an impact upon how the British viewed news from Italy in the following weeks. Rumours in early November of a forthcoming visit to Italy by Goering, for example, were received with calm, Halifax informing the War Cabinet that it was doubted whether any change would occur in Italian foreign policy in the near future.[1] Then, when Charles reported from Rome on 16 November that in addressing Fascist students in the Piazza Venezia the day before, the Duce had belligerently said, 'Prepare yourselves to study with all calm and discipline but as always...keep your rifle alongside your book and well under your eye. Peace of Fascist Italy is not an unwarlike peace, it is an armed peace', Noble found it amusing rather than worrying, and drily minuted, 'Doubtful whether the student will be able to concentrate under such conditions'.[2] Noble had decided by this time that 'the Axis is indeed a dim relic of past necessities',[3] and doubted 'whether Signor Mussolini is pro-German: it is probably more that he has not yet decided to cut the line to Berlin', a view with which Nichols was in sympathy.[4] Indeed, confidence over Italy at the FO was such at this point that a handful of reports that came in suggesting that Mussolini intended to enter the war in spring 1940, information which would have caused considerable anxiety just a few weeks earlier, were given scant credence.[5]

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[1]PRO CAB 65/2, 70th Meeting, 4 November 1939, 8th minute.

[2]PRO FO 371/23798, R10239/9/22, telegram from Charles & minute by Noble, 16 & 17 November 1939.

[3]PRO FO 371/23787, R10116/1/22, minute by Noble, 14 November 1939.

[4]PRO FO 371/23810, R10434/57/22, minutes by Noble & Nichols, 22 November 1939.

[5]PRO FO 371/23821, R10939/399/22, minute by Noble, 2 December 1939.

The ministerial changes in Rome were not the only reason for this confidence, however. From late October, the British became aware of a crisis in Italo-German relations over the status of the German minority in the Alto Adige region of northern Italy, many of whom wanted to be incorporated within the Reich, and some of whom agitated for this.[1] Then, in the middle of November, D'Arcy Osborne, Britain's representative at the Vatican, reported that Mussolini had recently been told that the Army and Air Force would not be ready for war on a large scale for two years,[2] and, even more encouraging, a fortnight later, Britain's military attaché in Rome reported that

> the whole tone of the new regime at the Ministry of War leads me to think that the present trend of Italian military policy is to prepare for defensive operations in the North East of Italy or co-operation with the Balkan powers in defence of their and Italian interests in the Balkans rather than offensive operations against France and Great Britain.

Noble minuted that, if correct, 'this is a development of considerable importance'.[3] Finally, on 29 November, Loraine reported that Bastianini had recently told him that efforts by him and his friends to cure Mussolini of his complex that he was so personally bound up in the alliance with Germany that he could in no circumstances escape from it were making considerable progress.[4]

The British were not wrong in discerning a shift in Italian views and policy in late October and November, though that shift was not as fundamental as they hoped. Italo-German relations were undoubtedly deteriorating at this point, primarily due to Berlin's growing links with Moscow and, even more important, the dispute over the Alto Adige. This latter

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[1]PRO FO 371/23810, R9137/57/22, 23 October 1939.

[2]PRO FO 371/23810, R10434/57/22, Osborne to Nichols, 14 November 1939.

[3]PRO FO 371/23799, R11039/9/22, memo by military attaché & minute by Noble, 27 November & 7 December 1939.

[4]PRO FO 371/23788, R10956/1/22, telegram from Loraine, 29 November 1939.

issue was, in many ways, the supreme test of the validity of the Axis as a partnership. Hitler had reassured Mussolini of the inviolability of the Brenner frontier in the wake of the *Anschluss*, and it had even been included in the terms of the Pact of Steel. The presence of a sizeable German-speaking community, a hard-core minority of whom continually clamoured for incorporation within the Reich, remained a source of some concern to Rome, however. An understanding had therefore been reached in June 1939 covering the forcible eviction of hard-core irredentists and the voluntary transfer of the remainder of the German community, but a formal agreement had not been reached by the outbreak of war. The opening of hostilities had resulted in a surge of irredentist feeling both in the Alto Adige and in Germany itself, to which Rome had responded by increasing pressure for action on the June understanding. Berlin had been worryingly reticent, though, and it had not been until October that negotiations had been resumed. On the 21st, a formal agreement had finally been signed, providing for the obligatory repatriation of hard-core irredentists within three months and an option to stay or leave with very favourable compensation for the remaining German-speakers. Far from resolving the problem, however, this had served to intensify it, for Berlin had now launched a propaganda campaign to encourage as many Alto Adige Germans as possible to transfer. This had infuriated Rome, which only wanted the troublemaking, irredentist minority to leave, as a mass exodus from the region threatened to ruin the local economy, place a great strain upon Italian finances, and damage Italian prestige.[1]

The result of all this was that Italo-German relations in November 1939 were placed under enormous strain, especially as 80,000 Germans had been evacuated from the Baltic States in a few hours in early October under Soviet pressure.[2] Ciano

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[1]Toscano, M., Alto Adige - South Tyrol: Italy's frontier with the German world (Baltimore, 1975), pp.35-6, 40-8.

[2]Ciano, Diary, 11 October 1939, p.166.

noted in his diary on the 9th, the day after the Fuehrer had survived an assassination attempt in Munich, that 'no Italian feels any great joy over the fact that Hitler has escaped death - least of all the Duce', and two days later commented, 'The Duce in these last few days, probably because of the situation in Alto Adige, expresses himself as more and more definitely anti-German'.[1] By 21 November, fearing that the Germans were preparing to hold a plebiscite in the Alto Adige on the question of incorporation of the region within the Reich, Ciano wrote that 'the chasm which separates us from Germany is becoming wider from day to day, even in the Duce's mind'.[2]

Indeed, it was primarily fear that the Nazis might be planning to incorporate the Alto Adige within Germany that explains the shift in the trend of Italian military policy in the last two months of 1939, detected by the British, towards defensive preparations in the north-east. The extensive work done on the border fortifications with the Reich in late 1939 was continued into the spring and summer of 1940, when Italy was on the verge of intervening and even after it had entered the war, and was only slowed down, though not halted entirely, when Hitler raised the issue. It should therefore be seen as 'defensive reinsurance to avoid vassalage, not preparation for a change of sides', but the fact that the Duce considered it necessary to devote a great amount of resources to improving Italy's ability to resist possible German military action highlights a definite mistrust and uncertainty at the heart of the Axis.[3]

Perhaps the Allies should have made greater efforts to exploit the Alto Adige dispute. Ciano certainly thought so. He noted in his diary on 9 November that, 'If the French and British were clever, this would be a fine moment to create a major incident between us and the Germans', and, on 21 November,

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[1]Ciano, Diary, 9 & 11 November 1939, pp.174-5.

[2]Ciano, Diary, 21 November 1939, p.176.

[3]Knox, Mussolini Unleashed, pp.61, 315, n.78, 37.

that, 'If an incident were to break out in the Alto Adige our relations with Berlin would become extremely precarious'.[1] Any Allied attempt to increase friction between Germany and Italy, however, would quite possibly have been viewed in Rome as unwarranted meddling and thus have served instead to worsen Italo-Allied relations. A policy of interference would have been a risk, and the Chamberlain administration was seldom inclined to gamble.

Alongside the damage done to Italo-German relations by the Alto Adige dispute, Hitler's links with Soviet Russia created further problems. There was certainly a strong anti-Bolshevik element to this due to the strength of Fascism and Catholicism in Italy,[2] but another powerful issue, particularly as far as Mussolini was concerned, was that he and Italy seemed to be being relegated to a secondary position.[3] This resulted in an anti-Soviet backlash in Italy which caused sufficient damage to the Axis for the Germans to launch a propaganda campaign in Rome to encourage better relations with Moscow.[4] When the Russo-Finnish War broke out at the end of November, however, Italo-Soviet relations reached their nadir. There was real concern in Rome, not helped by German press support for the Soviet invasion, that Berlin and Moscow were planning to divide Scandinavia, Eastern Europe, and, most disturbingly, the Balkans between them.[5] The Italian response to the Russian aggression was therefore unequivocally hostile, anti-Soviet demonstrations erupting throughout the country, and moral and material aid being given by Rome to the Finns.[6] It even got to the stage of ambassadors being withdrawn. Hitler was so worried by the situation that he took the unusual step for him of letting the Duce in on his future plans by

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[1]Ciano, Diary, 9 & 21 November 1939, pp.174, 176-7.

[2]Ciano, Diary, 26 September 1939, p.159.

[3]Lowe & Marzari, pp.349-53.

[4]Toynbee & Toynbee (eds.), p.227.

[5]Schreiber, Stegemann & Vogel, pp.17-18.

[6]Ciano, Diary, 4 & 8 December 1939, pp.180, 182.

despatching Dr. Robert Ley, the Nazi Minister of Labour, to Rome to inform Mussolini that Germany's current cooperation with Moscow was purely tactical and that an assault upon the Soviet Union remained at the heart of the Fuehrer's plans.[1]

Awareness of the strain being thrown upon Italo-German relations by Berlin's links with Moscow can only have encouraged the Allies to react to the outbreak of the Russo-Finnish War as they did. The Soviet aggression was denounced by the western European powers, both in public and in a private note to Rome,[2] and the USSR was expelled from the League of Nations in December, but Allied policy ultimately went much further. Much material aid, so desperately needed by the Allies themselves, was sent to help the Finns, and an Allied task force was even prepared to go to their aid early in 1940, albeit with the ulterior motive of occupying Narvik and the iron orefields in northern Sweden so as to restrict the supply of a vital commodity to Germany. Thankfully, the Soviets defeated the Finns before the Allies had got around to despatching the force and embroiling themselves in war with the USSR, though the task force did deploy to Scandinavia nevertheless, though to be beaten by the Germans in Norway rather than by the Russians in Finland. This anti-Soviet approach must certainly have been appreciated in Italy, where everyone was 'indignant about Russian aggression',[3] but there is no evidence that it had any lasting beneficial impact upon Italo-Allied relations.

Britain's relations with Italy began to turn sour in late November when the decision to announce the introduction of enemy export control provoked a crisis over the blockade. Aware that the British announcement was likely to upset Rome, Halifax had written a goodwill letter to Ciano on 25 November,

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[1]Schreiber, Stegemann & Vogel, pp.19-21.

[2]DDI, 9th Series, Vol. II, No. 460, Loraine to Ciano, (early) December 1939, p.360.

[3]Ciano, Diary, 2 December 1939, p.179.

along very similar lines to that of early September,[1] but the Italian Foreign Minister considered this communication 'very courteous but not of particular importance',[2] and it soon became apparent that the expected Italian ire was not to be easily assuaged. At a War Cabinet meeting on 6 December, the Foreign Secretary related that he had received Ciano's reply. Though not a formal protest at British action, the Italian letter, which Loraine correctly opined Mussolini had directed his son-in-law to send, complained at some length about the blockade. The unfortunate message seemed to be that the Duce, 'though possibly disillusioned about the Germans, was still nurturing his grudges against the democracies, and had not yet moved closer to us in personal sympathy'.[3]

The thorny issue of the blockade continued to cause anxiety throughout December, but the general trend of Italian opinion and policy in that month nevertheless remained favourable in Foreign Office eyes. The Fascist Grand Council met for the first time since the start of the war on 7 December. It reaffirmed Italian non-belligerence, but also the Pact of Steel, and stated Italy's direct interest in the affairs of South-East Europe and its intention to protect Italian sea traffic.[4] Loraine's interpretation of these decisions was optimistic. He commented that

> Italy's dangerous proximity to Germany and her unpreparedness for war, combined with her desire to use her present position to her best advantage as a bargaining lever against the Allies on the one hand and Germany on the other hand precludes her from making any formal declaration of neutrality, although it is possible she has, in fact, decided to be a neutral.

Sir Percy further considered that the Italians would be prepared to fight on the Allied side should the Germans or

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[1]DDI, 9th Series, Vol. II, No. 338, Halifax to Ciano, 25 November 1939, pp.278-9.

[2]Ciano, Diary, 30 November 1939, p.178.

[3]PRO CAB 65/2, 105th Meeting, 6 December 1939, 8th minute.

[4]PRO FO 434/6, Part XX, No. 20, telegram from Loraine, 8 December 1939.

Russians disrupt the status quo in the Mediterranean or South-East Europe, and even went so far as to dismiss the reaffirmation of the Pact of Steel as 'a sop to Germany'.[1]

The Fascist Grand Council meeting was followed just over a week later by a speech on foreign affairs given to the Italian Chamber by Count Ciano. Under close instruction from Mussolini, Ciano accused the Allies of trying to encircle and suppress Germany, and claimed that this had precipitated the current conflict. The guarantee to Poland was heralded as responsible for the Poles unwillingness to negotiate over Danzig, and the Allies' slowness in responding to Mussolini's peace initiative of late August and insistence that the Germans withdraw their forces from Poland before talks could begin were blamed for the failure to avert war. Conversely, there was no bitterness towards Germany, which 'had had no desire to enter into hostilities with the Western Powers', though Ciano did reveal by implication that Berlin had broken its word to Rome by provoking a general war in 1939, and that Hitler had gone behind Mussolini's back in signing the Nazi-Soviet Pact.[2]

In his report on Ciano's speech, Loraine confidently predicted that, in Italo-German relations, 'The way is being prepared for breaking away'.[3] This view must surely, however, have had more to do with Sir Percy's conversations with Ciano and the frosty reception of some Germans to the speech than with the text of the speech itself.[4] Loraine's French counterpart was upset by the emphasis given in the speech to the German

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[1]PRO FO 434/6, Part XX, No. 19, telegram from Loraine, 8 December 1939.

[2]PRO FO 434/6, Part XX, No. 21, Loraine to Halifax (by telephone), 17 December 1939.

[3]PRO FO 434/6, Part XX, No. 22, Loraine to Halifax, 18 December 1939.

[4]Ciano, Diary, 16 December 1939, pp.184-5 & Kirkpatrick, Mussolini, p.417.

alliance,[1] Rodd felt that it 'shows quite clearly how far apart we still are and how rash it would be to count upon the Italians as friendly neutrals for an indefinite period',[2] and, in Egypt, it was interpreted, 'as indicating the continuance of Italo-German co-operation and even the ultimate emergence of Italy into the conflict against us'. By the end of the year, therefore, the FO had decided that the speech had effectively left things pretty much as they had been before.[3]

If Ciano's speech thus gave no clear sign as to the future of Italian policy, other indications continued to be encouraging for the Allies. On 18 December, for example, Osborne reported from the Vatican that he had recently learnt that Mussolini's sentiments were now anti-German.[4] Two days later, Halifax informed the War Cabinet that Ciano had told Loraine that the blockade was 'the only cloud on the Anglo-Italian horizon',[5] and, on 22 December, Osborne reported that the Vatican had used the occasion of a visit by the Italian King, Victor Emmanuel III, 'for the purpose of publicly emphasising the desire of the Italian people for peace'.[6]

The reality of the situation in Italy in December, however, was somewhat less favourable to the Allies than some British believed, at least in regard to Mussolini. The Duce was even more infuriated by the blockade than London thought he was. The Germans had been working on Mussolini's feelings of irritation, anger and insecurity caused by Allied economic control, so that, by 10 December, he was 'becoming more and

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[1]Ciano, Diary, 19 December 1939, p.185.

[2]PRO FO 837/494, Rodd to Ingram, 18 December 1939, p.8.

[3]PRO FO 371/23822, R12215/399/22, telegrams from & to Lampson, 22 December 1939 & 3 January 1940.

[4]PRO FO 371/23799, R11866/9/22, Osborne to Halifax, 18 December 1939.

[5]PRO CAB 65/2, 120th Meeting, 20 December 1939, 10th minute.

[6]PRO FO 434/6, Part XX, No. 24, Osborne to Halifax, 22 December 1939.

more exasperated by the British blockade. He threatens counter-measures and revenge'.[1]

Mussolini's attitude towards Germany at this time changed almost daily. It was he who insisted upon the inclusion of an explicit reaffirmation of the German alliance at the meeting of the Fascist Grand Council,[2] but, once at the meeting, he took a more detached view;

> If England wins, we will not be allowed the sea to bathe in. If Germany wins, not even the air to breathe. We can only wish that the two lions tear each other to pieces, until their tails drop to the ground. And we, if this happens, will go and pick them up...[3]

After the meeting, Mussolini's mood shifted again, Ciano noting on 9 December that 'fundamentally he is still in favour of Germany'.[4] The Christmas period, however, saw perhaps the nadir of the Duce's opinion of the Germans, despite the visit of Himmler to Rome to try to reassure Mussolini as to German intentions.[5] A German propaganda campaign was increasing the number of residents of the Alto Adige choosing to resettle in the Reich, and, given Italy's rash pledge to compensate anyone who left for their abandoned property, this was threatening to place a severe strain on Rome's already weak finances.[6] Even more disquieting, it was learnt that a lecture had been given by Dr. Josef Pfitzner, the vice-mayor of Prague and a leading Sudeten German intellectual, referring to intentions to annex not just the Alto Adige, but Trieste and the whole plain of

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[1]Ciano, Diary, 1 & 10 December 1939, pp.178-9, 183.

[2]Ciano, Diary, 3 December 1939, pp.179-80.

[3]*'Se vincesse l'Inghilterra, non ci lascerebbe il mare per fare i bagni. Se vincesse la Germania, neppure l'aria per respirare. Si può desiderare che i due leoni si sbranino, fino a lasciare a terra le code. E noi, caso mai, andremo a raccatarle...'*; as cited in Quartararo, R., Roma tra Londra e Berlino: La politica estera fascista dal 1930 al 1940 (Roma, 1980), p.546.

[4]Ciano, Diary, 9 December 1939, p.183.

[5]Schreiber, Stegemann & Vogel, p.21.

[6]Lamb, Mussolini, p.271.

Lombardy. Mussolini was so infuriated by this that, as Ciano noted, 'Now, for the first time, he wants the Germans defeated'. The Duce even acted on his words for once, and arranged for the Dutch and Belgians to be informed of German plans, subsequently abandoned, to invade their countries early in the new year. The anger did not last long, however, and, as the year ended, Ciano disapprovingly noted that 'Mussolini is still suffering from one of his usual recurrent waves of pro-Germanism'.[1]

If Mussolini's fluctuating moods were one main feature of the situation in Italy at this time, the other was the continued lack of preparedness for war. This was hammered home by two reports by General Favagrossa, the Minister of War Production. The first of these, in mid December, calculated from figures provided by the Services, which may well have been slightly optimistic, that the Army and Navy would not be ready until 1943-4, and the Air Force not before mid 1941.[2] The second, at the end of the month, stated that even if Italian factories were to work a double shift, a sufficiently complete level of production could still not be reached before October 1942.[3] This was hardly encouraging for those in the Italian Government who dreamt of intervention, and even before these reports came out, Mussolini, restless with his forced aloofness from the war, was beginning once again to consider the possibilities of an Italian-sponsored negotiated peace. He would suggest the idea to Hitler, and, if it came to nothing, all the Duce would then be able to do would be to bring Italy into the war in 1942, as he had originally agreed with the Germans.[4]

As the year drew to a close, then, the British had good reason to feel confident about the prospect of Italy remaining non-

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[1]Ciano, Diary, 23, 26 & 31 December 1939, pp.187-8, 191.

[2]Knox, Mussolini Unleashed, p.75.

[3]Ciano, Diary, 31 December 1939, p.192.

[4]Ciano, Diary, 3 December 1939, p.180.

belligerent in 1940. Practical factors against intervention remained overwhelming, and London could take comfort from the fact that, although the Duce was angry with the Allied blockade, Italo-German relations were under strain as well. The new year, however, would see the situation develop markedly to the Allies' detriment.

Anglo-Italian Economic Relations

The story of Anglo-Italian economic relations in the final two months of 1939 is not dissimilar to that of the first two months of the war. Minor concessions continued to be made over the blockade in the Mediterranean, but not at too great a cost to the effectiveness of the exercise of contraband control in the inland sea, whilst trade issues proceeded to develop in a generally positive direction, but at a painfully slow rate. The key event during the period was the introduction by the Allies of enemy export control in late November. Not only did this spark something of a crisis in Anglo-Italian relations over the blockade, but, by threatening Italy's supply of seaborne German coal, it created the circumstances in which the British could at last put forward a comprehensive trade deal that might appeal to the Italians without undermining the policy of preventing Italy from increasing its overall importation of strategically important goods too significantly.

To begin with trade, the MEW had reported at the end of October that arrangements for buying hemp, sulphur, mercury, silk, and motor torpedo-boat engines in Italy were well advanced, but Loraine had pushed for a greater sense of urgency lest Britain lose out to foreign competition.[1] Within days, Sir Percy's fears about British tardiness in negotiating contracts began to be realised, for Germany successfully concluded a deal for 40,000 tons of Italian hemp, leaving only 6,000 tons available to the British.[2] This was a bitter blow to the men involved in trying to increase Anglo-Italian trade,

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[1]PRO CAB 68/2, Paper 59, 31 October 1939, p.5.

[2]PRO CAB 68/2, Paper 73, 7 November 1939, p.5.

Rodd commenting on 7 November, for example, that 'our present policy isn't a policy at all. It's a mess and I'm surprised we've got as far as we have'. He advocated a much more vigorous approach, buying and selling as wide a range of goods as possible with a view to becoming Italy's principal economic partner so that any break with Britain would have to be considered doubly seriously in Rome.[1]

Despite the lack of concrete progress in expanding Anglo-Italian trade by this time, however, consideration was at least being given to the placing of large orders in Italy. The total value of British orders by mid November was only £2,270,000, but orders under active consideration amounted to £13,500,000, while it was calculated that it might be possible to increase expenditure in Italy by a further £10,000,000 or more, the bulk of orders in the latter two categories being of a military nature.[2] Urgency was clearly desirable in converting orders under consideration into actual purchases, though, for Halifax referred in Cabinet to the 'feeling of irritation and disappointment in Italian official circles...at our slowness in making purchases in Italy'.[3] It is perhaps surprising, therefore, that by the end of 1939, the only new British purchasing transactions which had been concluded with the Italians since the start of the war were the Admiralty's purchase of sulphur and Isotta engines, and the Ministry of Supply's contract for mercury.[4]

This failure to conclude transactions with the Italians was far from entirely down to simple tardiness, however. The fact was, for example, that many of the goods that the various departments were being asked to consider buying from Italy

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[1]PRO FO 371/23806, R10175/41/22, Rodd to Ingram, 7 November 1939, pp.2-3.

[2]PRO FO 371/23806, R10475/41/22, minute by Noble, 18 November 1939.

[3]PRO CAB 65/2, 81st Meeting, 13 November 1939, 8th minute.

[4]Medlicott, p.289.

were not greatly needed or desired. For instance, the Air Ministry was asked to consider purchasing Italian aircraft worth £10 million, but these were not of a particularly high standard, and the Air Ministry could buy better planes in the United States at no greater cost. It therefore, not unreasonably, refused to purchase from Italy unless it were allotted an extra £10 million so to do.[1]

Perhaps the key factor behind the British slowness in concluding trade deals with the Italians at this stage, though, was the desire to avoid allowing Italy to build up too great a sterling credit in the Anglo-Italian clearing until such a time as the great majority of that credit was to be spent on increased supplies of British coal, a situation which was unlikely to arise until enemy export control had been introduced. At the moment, Rome wished to buy large amounts of other strategic raw materials and goods from Britain and the Empire, most of which, if supplied on a considerable scale, would allow Italy to improve its military preparedness markedly and to provide Germany with contraband goods. London had no intention of allowing this to happen, its policy for providing Italy with goods from sources under its control being 'to dole out raw materials in the smallest possible quantities'.[2] It was surely wiser before the introduction of enemy export control, therefore, to risk irritating the Italians by being tardy in trade negotiations than to infuriate them by letting them build up a hefty credit which the British would then have to prevent being spent as Rome wished.

Alongside trade difficulties, problems began to increase over the blockade from November, signalled by a marked rise in Italian complaints about contraband control. Indeed, by the middle of the month, Rome was warning that unless a definite

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[1]PRO T 160/936, F13456/02/5, Street to Gilbert, 5 November 1939 & FO 371/23805, R9946/41/22, minute by Noble, 10 November 1939.

[2]PRO FO 800/320, H/XIX/94, minute by Noble, 31 January 1940.

understanding could be reached, it 'would be obliged to adopt other methods', which was interpreted as the escorting of Italian merchant ships by warships. This greatly concerned London and led to the introduction of certain further concessions aimed at appeasing Rome without significantly undermining the effectiveness of the exercise of contraband control. First, the problem of homebound Italian ships being stopped both at Gibraltar and in the western Mediterranean was resolved by granting such vessels either exemption from calling at Gibraltar, in return for a promise to call at Marseille or Malta before reaching home, or clearance through the western Mediterranean, provided a guarantee was given at Gibraltar not to take on cargo, passengers or mail between there and Italy. Second, it was decided that shipping plying between Italy and its colonies, which Rome regarded as internal trade, and therefore exempt from economic control under international law, was not normally to be interfered with, as Italy's colonies produced very little of any strategic significance and the Allies could prevent them being used as an entrepot for trade in contraband goods by continuing to intercept ships that plied between them and everywhere but Italy. Finally, the British promised to establish a contraband control base at Aden in December so as to reduce the delay to Italian shipping entering the Mediterranean via the Red Sea caused by it being diverted for inspection in the Suez Canal Zone, where neutral ships could not compulsorily be searched under the terms of the Canal Convention, to either Haifa or Malta.[1]

In spite of these concessions, complaints about the Allied blockade continued. Bastianini informed Halifax on 23 November, for example, that 'The Italian Government must insist on the general principle of the inviolability of postal matter carried on Italian vessels',[2] but, at this stage, the problem was more the application of economic control than the

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[1]Medlicott, pp.292-4, 75.

[2]PRO FO 434/6, Part XX, No. 14, Halifax to Loraine, 23 November 1939.

principle. What was causing particular resentment in Italy was the fact that many ships were experiencing delays of over a week, yet were being found to have no contraband on board. Some of this delay was due at this point to lack of staff and experience at the MEW, yet some kind of delay was inherent in any exercise of contraband control where the blockading power was keen not to offend neutrals by seizing cargo over hastily and therefore insisted upon rigorous, and thus sometimes lengthy, checks of suspected contraband.[1]

In an effort to reduce delays to neutral shipping, the British Government tried various different tactics. In November, the hold-back system, (a system under which a ship could be allowed to proceed to a neutral destination after giving a guarantee to return to an Allied port any items of cargo which it might later be decided should be seized), was introduced in the Mediterranean.[2] This was initially successful, but it soon became apparent that the system merely transferred the delay to the transit of goods from the contraband control base to the quay of destination.[3]

Also in November, the decision was taken to introduce Navicerts (certificates issued by Allied officials at the dock of loading certifying that none of the goods on board the ship were contraband, and thus allowing much speedier passage through the blockade) to cover cargoes loaded in the Americas and bound for European neutral ports. The system was introduced in the United States, Brazil, Argentina and Uruguay on 1 December,[4] but it was some time before much use was made of it by Italian shipping, presumably for the political reason of not wishing to offend Germany by appearing to collaborate too closely with the Allied exercise of economic control.

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[1]Medlicott, pp.294, 86-7.

[2]Medlicott, p.89.

[3]PRO CAB 67/4, Paper 21, 27 January 1940, p.2.

[4]Medlicott, p.43.

Anglo-Italian negotiations in regard to the blockade in November and December focused upon the conclusion of a protocol between the two countries, putting in writing the terms and methods of the exercise of economic control by the British over Italian shipping. This was an Italian suggestion, and a draft protocol was produced in early November and followed a few days later by further draft annexures. The British were not keen on the Italian initiative, rightly fearing that a great deal of flexibility would be lost to them by committing details of their exercise of economic control to paper. However, as their part of the deal, the Italians were offering a guarantee against the re-export in any form of goods imported from British sources or the use of such imports to free existing stocks for export. With this in mind, and in order to avoid offending the Italians, the British considered their draft documents and tightened up the language used in them. Even so, problems remained. In trying to agree on the terms of a protocol, the British priority was to avoid making any major concessions and to insert a clause whereby either contracting party could terminate the agreement at a month's notice. The Italians, however, sought to get the British to commit such concessions as had already been made in regard to economic control to paper and to win yet further concessions.[1] An impasse naturally resulted and the protocol was never signed as, in the new year, the idea was replaced by efforts to reach a more comprehensive Anglo-Italian agreement covering trade as well as the blockade.

Alongside blockade negotiations with Rome, the British began in late 1939 to seek agreements with individual Italian firms whereby they would undertake to comply fully with Allied contraband control (by, for example, refraining from selling to Germany and obtaining guarantees of neutral consumption from purchasers) in return for swift passage for their goods through the blockade. There was some hope that if enough agreements could be made, it would amount to 'something in the

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[1]PRO ADM 116/4173, M.0433/40, memo by MEW, 30 December 1939, pp.11-13, Annexes XII & XIII.

nature of a rationing agreement with Italy',[1] but success was severely limited, deals being concluded with only a handful of companies by the time Italy entered the war.[2]

In late November, the British Government finally announced its intention to introduce enemy export control in retaliation for Germany's laying of magnetic mines without warning in sea lanes frequently used by merchant shipping. The British had been hoping since the start of the war for an excuse to seize German seaborne exports, so as to limit the Reich's ability to earn foreign currency with which to pay for imports of strategically valuable raw materials, but, as the right to exercise enemy export control was far from universally accepted by the international community, it could not be introduced lightly.[3] When discussing the issue on 20 November, therefore, the War Cabinet's attention was brought to the probable adverse response it would elicit from neutrals,[4] and this worry was confirmed with regard to Italy over the next few days by the receipt of several telegrams expressing the concern of the Italian Government at the proposed change in blockade policy.[5] Nevertheless, the seizure of enemy exports was considered a sufficiently important measure economically to override political objections to it, so the announcement that it was to be introduced was duly made, though it was initially to be 'gradual and light', and not put fully into effect until January. Moreover, it was decided in early December that, in order to avoid trouble with Italy over its fuel supplies until Rome could be persuaded to increase its importation of British

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[1]PRO FO 371/23828, R11829/7174/22, Nichols to Loraine, 6 January 1940, para.3.

[2]Medlicott, pp.676-92.

[3]Medlicott, pp.112-13.

[4]PRO CAB 65/2, 89th Meeting, 20 November 1939, 8th minute.

[5]PRO CAB 65/2, 94th Meeting, 25 November 1939, 10th minute.

coal, neutral ships carrying German coal to Italy were not, for the moment, to be diverted or detained at all.[1]

The Italian Government, however, like the great majority of neutral governments,[2] was not to be placated by softening measures, and responded to the British move by increasing its complaints against the blockade. Halifax's initial reaction to this appears to have been irritation, for he commented to Loraine on 2 December that

> the Italians will no doubt realise quickly enough that, if they want to build up a profitable Anglo-Italian trade, they must exercise at least a reasonable degree of patience over our contraband control, which contrasts very favourably with Germany's reckless sinking of neutral ships

by magnetic mines,[3] but irritation swiftly turned to concern, and Halifax informed the Cabinet just two days later that recent telegrams from Loraine on the subject of the blockade were causing him considerable anxiety.[4] The Foreign Secretary had even received an informal written complaint direct from Count Ciano which prompted him to recommend on 6 December that contraband control measures against the Italians be eased further.[5] Complaints continued to pour in from Italy over the next two weeks,[6] but the general feeling in London was, as Churchill noted on 15 December, that Italy was already being treated 'with exceptional consideration' as far as the blockade was concerned,[7] (for example, Italian ships and cargoes were surreptitiously being given priority in all

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[1]PRO ADM 199/2124, Blockade History: Mediterranean, Section III, pp.57, 60.

[2]Medlicott, pp.58, 120-1.

[3]PRO FO 434/6, Part XX, No. 17, telegram to Loraine, 2 December 1939.

[4]PRO CAB 65/2, 103rd Meeting, 4 December 1939, 11th minute.

[5]PRO CAB 65/2, 105th Meeting, 6 December 1939, 8th minute.

[6]PRO CAB 66/4, Paper 163, 16 December 1939, p.5.

[7]Churchill, War Papers - Vol. 1, minute by Churchill, 15 December 1939, p.517.

proceedings before the MEW and the Contraband Committee, the body in London which decided whether suspect cargoes should be released or not),[1] and so, at a meeting held in the Foreign Office on 18 December, it was decided that 'Italian shipping interests have not any great cause for complaint', and that, therefore, the system as currently established in the Mediterranean did not require much alteration. Halifax accepted this, but commented that if the situation did not ease, 'he would consider further measures most desirable even at the cost of some reduction in efficiency in our contraband control system'.[2]

To return to the issue of trade, Britain's slowness in concluding agreements with Italian firms had led by mid November to a deterioration in negotiations which mirrored the worsening of relations over the blockade.[3] Somewhat perversely, however, it was the introduction of enemy export control that created the circumstances in which the British felt able to give fresh impetus to trade talks.

On 4 December, Halifax produced a memorandum for the War Cabinet on the issue of trade with Italy. He reported that tardiness in concluding contracts was holding up agreement on a new clearing arrangement, the conclusion of which he considered of great importance, as it would facilitate increased Italian purchases within the Empire, giving Britain greater control over Italian sources of supply. He continued by pointing out that, as a result of the decision to introduce enemy export control, Italian coal supplies were ultimately threatened, creating a situation in which the Italian economy might 'undergo a strain and perhaps suffer a breakdown which would reflect itself in resentment and hostility to us'. The Foreign Secretary therefore recommended that Rome should now

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[1]PRO FO 371/23828, R11829/7174/22, Nichols to Loraine, 6 January 1940, para.8.

[2]PRO FO 371/23828, R11829/7174/22, Nichols to Secretary of Admiralty, 21 December 1939, paras.2-3, 11.

[3]PRO CAB 68/3, Paper 89, 21? November 1939, p.5.

be formally assured that Britain proposed to increase its provision of coal to Italy in 1940, so as to replace fully the deficit which would be created by the stoppage of seaborne German coal, and to use the proceeds thereby gained to pay for the bulk of £25 million worth of purchases that Halifax urged the British should promise to make in Italy in the following year.[1]

The War Cabinet discussed Halifax's memorandum on 6 December. Although the Chancellor asked for the figure of £25 million to be examined further before being presented to the Italians, the general response to the paper was very positive, Churchill even offering to explore if any additional increases could be made in Admiralty purchases from Italy in the interests of facilitating an agreement and maintaining Italian neutrality. The War Cabinet therefore agreed to proceed with negotiations on the basis laid out in the Foreign Secretary's paper, subject only to a further examination of the sum of £25 million proving satisfactory. Just two days later, Halifax reported that this further examination had proven satisfactory, and that he had instructed Loraine to inform the Italian authorities accordingly.[2]

The reception given to Britain's trade plan in some quarters in Italy was not favourable. Giannini, the head of the Italian delegation to the Joint Standing Committee, was unimpressed by the British proposals, viewing them as a crude attempt to lever Italy away from Germany. The biggest problem, as he saw it, was that if the Germans responded to an Italian acceptance of the proposals by demanding that Rome pay for its consequently reduced requirement of German coal in scarce foreign currency, the British would be unable to make up the inevitable shortfall in Italian needs. In any case, the Italians had recently demonstrated their preference for coal from Germany by negotiating a new agreement with their

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[1]PRO CAB 67/3, Paper 131, 4 December 1939.

[2]PRO CAB 65/2, 105th Meeting, 6 December 1939, 11th minute & 108th Meeting, 8 December 1939, 8th minute.

ally to increase the supply of coal by rail to half a million tons per month, half Italy's requirement, in response to the threat to seaborne German supplies caused by the introduction of enemy export control.[1] Nevertheless, Loraine was able to report on 17 December that Mussolini had approved Britain's plans on trade as a basis for negotiations for an agreement, a development which Noble felt was 'a considerable step in the right direction'.[2] Crucially, however, Loraine did not report that in forwarding the British proposals he had failed to make clear that, as the great majority of orders Britain wished to place in Italy were for war material, the sale of Italian armaments to Britain was indispensable to the scheme's success.[3] This was to have profound significance in the new year.

Meanwhile, the blockade continued to be a source of considerable friction in Anglo-Italian relations, Ciano informing Loraine just before Christmas that, unlike before, 'it was no longer a question of concrete cases, but of the general and unfortunate impression created that Italy was being controlled' by Britain.[4] This warning did not fall on deaf ears, for Sir Percy was already doing all he could to ease tension in regard to economic control. For example, it was after a special plea from Loraine, who had himself been pressed by the Italians,[5] that, at the end of December, certain cargoes detained under the hold-back guarantee system but formally consigned to Italian consignees for Italian

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[1]Mallett, 'Anglo-Italian War Trade Negotiations', pp.152-3.

[2]PRO FO 371/23807, R11828/41/22, telegram from Loraine & minute by Noble, 17 & 21 December 1939.

[3]Knox, Mussolini Unleashed, p.72.

[4]PRO FO 434/6, Part XX, No.23, telegram from Loraine, 22 December 1939.

[5]Mallett, 'Anglo-Italian War Trade Negotiations', pp.151-2.

consumption were released upon receipt of guarantees that they would not end up in Germany.[1]

Loraine was also keen to find ways of modifying the blockade which might ease tension more permanently. On 17 December, therefore, he asked for 'latitude to release, without prior reference to London, ships and the part or the whole of cargoes for which guarantees have been obtained which satisfy us here'[2] (i.e. the devolution of the work of the Contraband Committee upon the embassy in Rome), the aim being to reduce yet further delays to Italian shipping. At around the same time, Sir Percy, on his own initiative, also raised the idea with Ciano that the Italian Government might take over a certain amount of responsibility for the exercise of contraband control, insofar as it directly involved Italian interests, along lines similar to those recently arranged with Sweden.[3] Ciano discussed the idea with Mussolini, who apparently thought it interesting and worthy of further examination,[4] but this information did little to appease the MEW, which reacted angrily to the ambassador's action. The Southern Department at the FO, on the other hand, was pleased with Loraine and hoped that his initiative would bring results.[5]

Partly as a result of Loraine's initiatives, a meeting was held on 28 December between representatives from the MEW and the FO to discuss the problem of Italy and the blockade. Cadogan considered that there were only two ways of resolving the present problem; either the conclusion of some kind of war

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[1]Medlicott, p.296.

[2]PRO ADM 116/4177, M.017505/39, telegram from Loraine, 17 December 1939.

[3]PRO FO 434/6, Part XX, No. 23, telegram from Loraine, 22 December 1939.

[4]PRO FO 371/23828, R11991/7174/22, telegram from Loraine, 24 December 1939.

[5]PRO FO 371/23828, R11990/7174/22, minutes by Nichols & Sargent, 26 & 27 December 1939.

trade agreement with Italy, whereby Britain would agree to relax its physical control of Italian shipping in return for a promise not to assist Germany to break the blockade and limitation of the importation of certain materials and products, or the devolution of part of the contraband control procedure upon the Anglo-Italian Joint Standing Committee in Rome. Either of these would mean handing over a certain degree of responsibility for the exercise of economic control to the Italian Government, at which some concern was expressed, but Francis Rodd commented that, as far as the MEW could tell, 'comparatively little had gone through Italy to Germany since the war started', and that 'there were no great problems' in regard to Italy exporting German goods on behalf of the Germans. This implied that Rome could probably be trusted to keep to any promises it made, and Rodd added that 'if we had any definite evidence that the Italians were not keeping their side of the bargain, we should then break our agreement'. The conclusion of some kind of war trade agreement thus seemed the most desirable option, and the MEW representatives reported that was what the Ministry was now working towards.[1]

By the end of 1939, therefore, the British were at last beginning to try to reach the definitive agreements with Italy over trade and the blockade that they had considered desirable since the start of the war. In the light of the deterioration of Anglo-Italian relations in November and December due to the Allied exercise of economic control in the Mediterranean and British tardiness in concluding contracts for purchases in Italy, the successful realisation of these formal agreements was now more important than ever in order to prevent nascent problems from getting worse and to put relations between London and Rome on a firmer, more propitious basis for the future. The opening weeks of the new year were clearly going to be critical.

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[1]PRO FO 371/23828, R12214/7174/22, memo by FO, 28 December 1939.

British Military Policy in the Mediterranean and Middle East

Just as Anglo-Italian relations began to take a turn for the worse in late November, two important issues regarding British military policy in the Mediterranean and Middle East came up. First, the Colonial Office asked the DCOS to consider whether, given Rome's continuing non-belligerence, it was possible to authorise the relaxation of local defence precautions against Italy in order to alleviate the strain some colonial governments were experiencing in maintaining them. The Foreign Office had already raised this issue back in September, when it had been decided that it would be premature to authorise any relaxation, so it was no surprise that the CO initiative won backing from the FO, which commented that, 'The object of our efforts...should be to encourage [Italy] to be friendly and to make the first move towards collaboration and relaxation of military precautions'. This time, with confidence in Italy remaining aloof from the war having grown, the DCOS gave general consent to the idea, provided that the French authorities concurred and that a sufficient degree of readiness be maintained so that, should Italian policy change, there would be no long delay in restoring full precautionary measures in the colonies.[1]

The issue was then passed on to the Oversea Defence Committee (ODC) for consideration. It too agreed that local authorities should be able to relax defence measures against Italy but added the following, more specific provisos to those put forward by the DCOS;

> (i) No precautions should be relaxed which could not be restored in 21 days (the length of time it was calculated it would take the Royal Navy to reach full strength in the Mediterranean from its current depleted state).
> (ii) No local defence units, air raid precaution squads, etc., should be demobilised unless they were judged efficient and could be remobilised within 21 days.
> (iii) The continuance of long term projects (such as underground shelters at Malta) should be considered in Britain with regard to how far they had progressed and whether to abandon them would result in a saving worth the consequent lack of defensive preparedness in the appropriate colony.

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[1]PRO CAB 83/2, Paper 5, 1 December 1939 & CAB 68/1, Paper 31, 5 October 1939, p.2.

The ODC did agree, however, that certain African units, such as the Kenya Defence Force, could be disbanded forthwith if there were no local objection to such a course of action.[1]

It was not until just before Christmas that the Military Co-Ordination Committee got around to discussing the question. At this meeting, the view was generally expressed that it would be a mistake to permit a general relaxation of military activities, such as manning AA guns, as it was felt that this would almost certainly result in a loss of morale, but that there was no reason why there should not be some easing of passive defence measures, such as air raid precautions.[2] At the end of the month, the French gave notice of their concurrence with British plans, but were keen to add that the Allies should avoid going 'too far in the direction of weakening a system which is already everywhere purely defensive in character'.[3]

Consideration of the issue continued into the new year in consultation with colonial governors and it was found that there were few measures that could safely be taken. Hardly any African units could be wisely disbanded or demobilised as they were needed for internal security as much as against the threat of Italian attack. It was also judged unwise to abandon long-term projects, such as the construction of underground air raid shelters in Malta, as they were all designed to increase the security of places of first class importance, though it was decided that the rate of progress of the work could be adjusted so that provision of labour and materials did not interfere with the war effort in Britain. Only such minor administrative measures as the relaxation of the precautionary stage (which was little more than an open declaration, as opposed to a tacit awareness, of a possible

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[1]PRO CAB 94/1, 4th Meeting, 6 December 1939, 2nd minute.

[2]PRO CAB 83/1, 11th Meeting, 22 December 1939, 2nd minute.

[3]PRO CAB 85/6, Paper 69 PMR, 30 December 1939.

attack from a named country) were considered advisable.[1] Once again, therefore, the FO's hopes of improving relations with Italy by relaxing military preparedness in the Mediterranean and Middle East were effectively frustrated.

The second important military development in late 1939 was the production by the COS on 5 December of the review of military policy in the Middle East initiated by Ironside at the end of October. Although this report stressed that, 'Steps to increase our forces in the Middle East must...not be at the expense of our essential requirements in the West', it also commented that

> We must at all times maintain in Egypt, Palestine, the Sudan, Kenya and Aden the minimum forces necessary for the internal security of these territories. Over and above these, we must retain in these countries sufficient forces to defend our essential interests against Italian land attack.

Although the air situation remained unsatisfactory, it was reaffirmed that land forces currently stationed in the Middle East were considered broadly adequate for these tasks, though the formation of an African division in Kenya and of an additional battalion of the Sudan Defence Force were recommended to improve things further. The main recommendation of the report, however, was the ultimate establishment in the Middle East of a force of twelve divisions and over thirty squadrons (mainly bombers and fighters). Rather than being aimed primarily at deterring Italy from entering the war or improving preparedness to fight the Italians should they intervene, this plan reflects the advice of the PMRs at the end of September that the Allies should increase their military presence in the Eastern Mediterranean so as to render themselves capable of lending greater assistance to the states of South-East Europe, most particularly Turkey, in the event of a German or Soviet attack upon them.[2]

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[1]PRO CAB 83/4, Paper 40, 2 February 1940.

[2]PRO CAB 66/3, Paper 148, 5 December 1939.

Despite the primary aim of the scheme, its acceptance and implementation would, of course, have serious repercussions for policy towards Italy, and it might have been expected that it would encounter severe opposition from the Foreign Office as a result. However, the report did not propose the despatch to the Middle East of large numbers of reinforcements in the near future, merely the development of facilities in the region to enable a force of 12 divisions and the suggested number of squadrons to be accommodated when such forces could be spared. Given the overriding commitments in north-west Europe, this was unlikely to be for a little while, by which time the expected improvement in the Allies' military position *vis-à-vis* Germany and the further deterioration of Italo-German relations hoped for by the FO might have, at best, broken the Axis, or, at worst, rendered an adverse Italian reaction to the large-scale reinforcement of the Middle East both less likely and less worrying for the British.

Responsibility for detailed analysis of the COS paper was handed to the Military Co-Ordination Committee, but it was not until the new year that Chatfield produced its report, which concurred with practically all the COS's detailed recommendations.[1] On 15 January, therefore, the War Cabinet formally approved the COS paper and instructed the departments concerned to proceed immediately with detailed plans and preparations.[2]

Although these preparations did not at this stage involve an attempt to build up land forces in the Middle East to twelve divisions, the opening months of 1940 nevertheless witnessed the arrival in the region of a considerable number of troops. The 1st Cavalry Division arrived in Palestine in three echelons between the start of January and the middle of February, and the Durham Light Infantry was sent from Tientsin in China to Port Said in Egypt. Moreover, plans to withdraw

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[1]PRO CAB 66/4, Paper 18, 13 January 1940.

[2]PRO CAB 65/5, 14th Meeting, 15 January 1940, 2nd minute.

seven battalions of the existing garrison of Palestine once the Cavalry Division arrived were withdrawn at the request of the French. These forces were augmented in early February by the arrival of the first echelons of the Australian and New Zealand Divisions in Palestine and Egypt respectively, whose presence in the Middle East, though formally only for training purposes, provided some insurance against the sudden development of hostilities in the region.[1] These arrivals meant that by the start of March 1940, the number of British troops deployed in the Middle East had risen to 52,000 from a figure of 37,400 at the start of the year; and this excludes the 13,500 antipodean troops.[2] However, just as the Anzacs and other troops were arriving in the Middle East, the French, in the light of continued Italian neutrality, were in the process of reorganising the bulk of their land forces in North Africa for transfer to France,[3] mirroring an earlier withdrawal in the last months of 1939 of most of the French bomber force in Tunisia,[4] and this can only have diminished any deterrent effect the new British arrivals had in Rome.

The COS review of early December, though specific about the level of land and air forces to be aimed for in the Mediterranean and Middle East, said practically nothing on the subject of naval forces, the stationing of which in the Mediterranean and its environs was clearly primarily aimed at the Italians. This issue was addressed, though, on 18 December, in a major JIC report which stated that, 'So long as Great Britain and France remain unsure of Italian intentions, they must maintain large naval forces to safeguard their

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[1]PRO CAB 66/4, Paper 8, 5 January 1940, p.6, CAB 66/5, Paper 32, 26 January 1940, p.6, Paper 56, 16 February 1940, p.6 & CAB 83/3, 1st Meeting, 3 January 1940, 2nd minute.

[2]PRO CAB 68/4, Paper 30, 20 January 1940, p.2 & CAB 68/5, Paper 95, 18 March 1940, p.2.

[3]PRO AIR 2/2885, 55B, 'Anglo-French Conversations - Cairo (26th to 30th January 1940)', 17 February 1940, p.3.

[4]Playfair, p.56.

position in the Mediterranean'.[1] In reality, however, the British Mediterranean Fleet had been reduced by this time to just four small cruisers, an Australian flotilla leader, four Australian destroyers, and two submarines, the bulk of Cunningham's pre-war fleet now being employed in other waters either to combat German raiders and U-boats, to increase the Royal Navy's strategic advantage over Germany, or to train new crews.[2] It is true that most of the withdrawn naval forces could be returned within a month, yet there can be no denying that by relaxing naval precautions in the Mediterranean to the extent they had been by the end of 1939, Britain had left its position there vulnerable to a surprise Italian naval assault, something which could quite conceivably have influenced consideration in Rome as to whether to enter the war or not. Despite Churchill minuting Pound three times in early 1940 to make administrative preparations for the return of a battlefleet to the Eastern Mediterranean,[3] however, it would not be until late April that the British corrected their potentially dangerous reduction of the Mediterranean Fleet to a skeleton force.

Thus British military policy in the Mediterranean and Middle East continued to develop from November 1939 onwards as it had begun to in September and October. Important military factors yet again managed to stave off challenges from the Foreign Office to lessen British preparedness for war with Italy in the hope that such moves would make conflict with Rome less likely. Air forces in the theatre remained more or less at the level they had been at since the start of the war, while further reductions in the size of the Mediterranean Fleet were balanced, at least to some extent, by increases in the number of troops stationed in the Middle East, even if these were brought about more by the desire to improve Britain's ability

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[1]PRO CAB 81/95, Paper 37, 18 December 1939, p.3.

[2]Playfair, p.47 & PRO ADM 199/389, Mediterranean Station War Diary, pp.35-127.

[3]Churchill, War Papers - Vol. 1, Churchill to Pound, 6 February, 1 & 6 March 1940, pp.721, 841, 853.

to support Turkey against a possible German or Russian assault than as a result of a specific attempt to deter Italy militarily from entering the war. A pattern had clearly been set for military policy in the Mediterranean and Middle East, and it would only be as the prospect of hostilities with Italy in the region became very real from April 1940 that it was to be seriously reconsidered.

The Balkan Question

The Balkan question went into abeyance from the end of October until almost the end of November, as the Allies grew increasingly concerned about a possible German attack on Holland. It was briefly discussed at the third meeting of the SWC in London on 17 November, where Daladier's passion for a Balkan front seemed to have cooled, the Frenchman commenting that, 'It would now be too ambitious to think in terms of a Salonika front', though he still advocated the establishment of Allied military facilities in Turkey.[1] Toward the end of November, however, the French requested a high level meeting of military personnel in Paris as soon as possible to discuss policy in South-East Europe.[2] The initial British response was one of suspicion and reluctance, but tentative agreement was given and 'an expression of the views in general terms of the French High Command on the problems involved' was requested to facilitate discussion.[3]

The COS briefly considered the Balkan question in their review of military policy in the Middle East of 5 December. This paper advised that preparations should be made for the Balkans becoming a theatre of war in the spring (as a result of enemy rather than Allied action, it must be stressed), but the COS only envisaged Allied forces helping to defend Turkey and possibly the Pelopponese at this early stage in the war.

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[1]PRO CAB 99/3, 3rd Meeting, 17 November 1939, pp.9-10.

[2]PRO CAB 80/5, Paper 133, 25 November 1939.

[3]PRO CAB 79/2, 90th Meeting, 27 November 1939, 3rd minute.

Moreover, in the event of Italy entering the war, Allied forces would be unavailable to meet even these tasks.[1]

The COS's main statement on the Balkan question in early December, however, came in the form of a list of replies to the views of the French High Command requested in late November. These views seemed to indicate that Paris still hankered after a front in South-East Europe. In the light of forceful British opposition to Salonika as a base, the French now wanted investigation into 'the despatch of a Franco-British Expeditionary Force to Thrace or Anatolia, in such a manner that this force can be installed there before any German or Russian threat arises in the Balkans'. They hoped to have studies and negotiations with the Turks cleared up by early 1940 and 'to proceed to the active stage [presumably meaning initial deployment] in January'. The French also still favoured supporting the Yugoslavs and Romanians militarily, and at one point even mooted the idea that the Allies might take action in the region 'notwithstanding the attitude of Italy'. The COS were appalled. To install a force in Thrace or Anatolia before any threat to the Balkans arose seemed to them to be precipitating conflict in the region, something which the British were, of course, set against. The COS reiterated their serious reluctance to go to the direct military aid of Romania or Yugoslavia in the near future, and the French suggestion that Italian attitudes might be ignored in formulating Balkan policy brought the horrified response that this was 'entirely contrary to our ideas'.[2]

In discussion on 7 December, the War Cabinet agreed wholeheartedly with the COS, particularly over their concerns about the impact an adventurous Allied policy in the Balkans would have in Italy, an issue which was termed 'a very uncertain factor', and their reluctance to deploy British forces north of Turkey's frontiers in these early stages of the war. The COS were therefore authorised to make their

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[1]PRO CAB 66/3, Paper 148, 5 December 1939, pp.1-3.

[2]PRO CAB 66/3, Paper 149, 5 December 1939.

replies to the views of the French High Command the basis for the high level military talks on Balkan policy scheduled for 11 December in Paris.[1]

The meeting which took place in the French capital on 11 December was attended not only by all three Service chiefs of Britain and France, but by Generals Weygand and Wavell as well. Gamelin opened the discussion by reporting that recent approaches had been made to France by Yugoslavia, Romania and Greece, outlining their determination to oppose aggression and requesting Allied help, moves which the French were keen to respond to positively. Replying for the British, Sir Cyril Newall, the CAS, stated that he had been instructed by the War Cabinet to emphasise that body's apprehension as to Italian reactions to an adventurous Balkan policy, and added that the British High Command felt that, for the moment at least, Allied activities should be confined to unostentatious preparations to lend such assistance as was deemed advisable as and when it was required. The CAS then went on to reiterate the problem of lack of resources for a campaign in the Balkans and pointed out that, with Italian neutrality not assured, anything that could be sent would have to come from the Western Front, a point which was surely intended to dissuade the French from adventures in South-East Europe by raising the spectre of a denuded front in France. Admiral Pound and his French counterpart, Admiral Darlan, followed Newall's comments up by arguing that it would not be possible to transport and maintain a force in South-East Europe by sea if Italy were hostile, and pointed out that a Balkan expedition would probably require the use of bases in Turkey which were poorly defended and would therefore create further claims for AA resources that were already sparse.

With the discussion following a negative trend, Gamelin tried to talk up a Balkan campaign by emphasising the number of divisions certain Balkan states could deploy (Romania - 31, Greece - 17, Yugoslavia - 26, Turkey - 37), but Ironside

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[1]PRO CAB 65/2, 107th Meeting, 7 December 1939, 8th minute.

considered his figures somewhat optimistic and pointed to the problems of coordinating such forces. Weygand then advocated immediate preparations for the despatch of an expeditionary force to South-East Europe, including the establishment of supply depots in the area, and urged that armaments be sent to all Balkan countries requesting them. Doubtless to the disquiet of the COS, General Wavell voiced total agreement with Weygand, and, equally worrying, the Frenchman then urged that preparations for an Allied front should be initiated before Rome was consulted on the subject, so as to present the Italians with a *fait accompli* that they would then have to accept, whether they liked it or not. Newall immediately replied that this was impossible as the Allied governments had promised to keep Italy informed of any projected action in the Balkans, a fact that had slipped the memory of General Gamelin. The meeting broke up without definitive agreement being reached, but the British delegation took away with them for consideration a set of draft resolutions on the Balkan question drawn up by Gamelin.[1]

Once they had digested them fully, the COS were surprised by Gamelin's draft resolutions, even going so far as to comment that 'we found ourselves in complete agreement on all essentials'. Certainly, some of the resolutions were unlikely to appeal to the British. For example, neither the use of Salonika as a base nor Allied military intervention in northern Greece, Yugoslavia and Romania were expressly ruled out. However, far more important than these, Gamelin explicitly stated that, 'In the existing political and military circumstances, we can do no more than initiate preparations for Allied intervention'. Moreover, he added that, 'if it is decided to undertake operations in the Balkans, the forces to be employed there can only be transported and, thereafter maintained, if the attitude of Italy is at least the one of benevolent neutrality', and that, 'Italy's attitude also governs the question of the size of the

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[1]PRO CAB 66/3, Paper 159, 13 December 1939.

forces the Allies can use for operations in the Balkans'.[1] France's most senior military commander was thus effectively offering to abandon any thought of despatching a force to South-East Europe in the near future ahead of any enemy attack into the region and to bind the whole idea of a Balkan expedition firmly to the attitude of Italy, the very situation the British had been aiming for all along. The War Cabinet therefore decided to accept Gamelin's draft resolutions on 14 December.[2]

When the Supreme War Council met for the fourth time on 19 December in Paris, the Allies attempted to build upon recent progress to reach definitive agreement on the Balkan question. Daladier confirmed that the French Government now had no intention of despatching a force to South-East Europe in the immediate future, as this 'would be premature and might arouse keen opposition in Italy', but Paris did propose 'to take advantage of the remaining two or three months of relative quiet to prepare to help the Balkan countries should they decide to resist any aggression upon them'. After some discussion, it was agreed that such a policy should be pursued by means of continued diplomatic action aimed at encouraging the Balkan states to unite in the face of possible aggression, as generous a supply as possible of war material, and 'Preparatory measures on a limited scale to make possible in case of necessity ultimate intervention by Franco-British armed forces; for example, the conduct of conversations between the military staffs, the organisation of bases, &c.'. However, it was explicitly confirmed that 'There can be no question of the despatch of any Franco-British armed forces even on a limited scale, unless Italy is at least a definitely benevolent neutral.' Moreover, the SWC agreed that the attitude of Italy was 'an overriding consideration and it is essential to avoid offending her susceptibilities'. With this in mind, it was decided that no preparatory measures were to

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[1]PRO CAB 66/4, Paper 160, 13 December 1939.

[2]PRO CAB 65/2, 115th Meeting, 14 December 1939, 2nd minute.

be initiated until the result was known of an informal approach in Rome to ascertain Italian views on possible Allied policy in South-East Europe.[1] Ciano was therefore approached by both François-Poncet and Loraine in late December 1939 and early January 1940 as to how Italy would react to an Allied intervention in response to German aggression, but he rather sidestepped the issue.[2] This was a far from ideal response, of course, but the Foreign Office felt reassured enough by it to clear the way for the initiation of unprovocative preparations for possible military action in defence of the states of South-East Europe.[3]

The SWC meeting of 19 December thus effectively resolved the fundamental issues of the Balkan question; Allied strategy would be reactive rather than proactive, and everything was tied to the attitude of Rome. Given the firmness of London's resolve not to pursue a Balkan policy which it considered would jeopardise Italian neutrality, the French had little choice in the end but to accept Britain's fundamental objections to their plans, though this was doubtless made easier by the fact that the Allies began in December to contemplate the possibility of despatching a force to Scandinavia in response to the Soviet invasion of Finland.[4] Such a move would not only meet Paris' desire for some kind of action, but was also expected to divert German attention from the west by threatening the Reich's supplies of Swedish iron ore and thereby to create in the north the much longed-for second front.

Discussion of Balkan strategy did not stop after 19 December, of course, as there remained many issues to resolve (notably

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[1]PRO CAB 99/3, 4th Meeting, 19 December 1939, pp.3-7.

[2]PRO CAB 65/2, 123rd Meeting, 27 December 1939, 8th minute, CAB 65/5, 9th Meeting, 11 January 1940, 4th minute & Woodward, 1, p.30.

[3]PRO CAB 21/1180, Halifax to Chatfield, 16 February 1940, pp.2-3.

[4]See, for example, PRO FO 1011/66, Halifax to Loraine, 26 December 1939.

whether Salonika was to be used as a base), but these were of a lesser importance than those settled by the SWC and do not fall within the remit of this particular study. The focus of Allied strategic discussion from late December shifted to the possibility of operations in Scandinavia, which the British were far more happy to engage in in the early stages of the war than a campaign in South-East Europe. It was not until April 1940, in much changed circumstances, that fundamental questions of Allied Balkan policy were to re-emerge.

CHAPTER FIVE - JANUARY TO APRIL 1940

Britain and Italian Foreign Policy: January to February

On 2 January, Loraine took the opening of the new year as an opportunity to report his considerations on the trend of Italian policy to London. He stated that, 'Italy means to keep out of this war and that she will only take military action if she feels that vital interests of hers are threatened'. The Southern Department, though very satisfied with the overall situation, were not quite so optimistic as the ambassador, Noble minuting that 'We have good reason to believe that Signor Mussolini himself would still rather like to bring Italy in on Germany's side', though, as things stood, he considered that if the Duce did try 'to rush Italy into war on Germany's side, he would be driven from power by the moderates, backed by the King'.[1]

The overthrow of Mussolini, or at least his withdrawal into the background, was the great hope of the Southern Department, for he was considered the only man capable of dragging an unwilling Italian King, Army and people into the war on Hitler's side,[2] and there was some hope early in 1940 that the Duce would indeed be forced to take a back seat permanently, either for political reasons or because of bad health. Loraine warned Halifax in an otherwise upbeat letter of 22 January, however, that 'Mussolini's hand has never left the tiller', and that, although Ciano, Grandi, and Marshal Italo Balbo, Governor-General and C-in-C Armed Forces, Libya, were all anti-German, if pushed, they would all remain loyal to the Duce, whatever course he set.[3] At the start of February, therefore, Noble felt compelled to minute that 'it would be a

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[1]PRO FO 371/24937, R306/58/22, telegram from Loraine & minutes by Noble & Nichols, 2, 6 & 8 January 1940.

[2]Indeed, Noble minuted early in 1940 that, 'With Signor Mussolini out of the way, the odds are, in my opinion, that Italy would come into the war on our side' (PRO FO 371/24937, R306/58/22, minute by Noble, 6 January 1940).

[3]PRO FO 1011/67, Loraine to Halifax, 22 January 1940, pp.1-2.

great mistake to assume that Signor Mussolini has already let the reins of government slip from his hand; such a development may come, and sooner than we expect, but it has not come yet'.[1]

It was perhaps this realisation that the Duce's removal from power was probably not imminent that led, at the end of January, to the idea being mooted in the Southern Department of making efforts to encourage and accelerate the hoped for change. The concept was put forward by Max Salvadori, an anti-Fascist exile, who argued that

> there is a large and increasing number of people of the upper classes, particularly in the Court, the Army and the Church and among the industrialists, who are tired of Mussolini's aggressive foreign policy and of Fascism's constant interference with the life of the individual citizen, and who would be only too glad to combine to push Mussolini (who has already lost a great deal of his prestige) into the background, but do not dare to do so, less from fear of internal trouble, than from fear of leaving Italy defenceless against Germany. If these circles could be assured privately by someone with authority to speak for the British and French Governments that in such an event Allied help would be immediately forthcoming, they might pluck up enough courage to take some decisive action.

Noble, with whom Nichols wholeheartedly agreed, responded to this suggestion on 2 February. He commented,

> I entirely agree...that it would be to our advantage if Signor Mussolini were to disappear; there is no one else in Italy who would have a hope of bringing the country in on the same side as Germany and very few people who would want to. But I think it would be dangerous for us to try any intrigues designed to that end. We should do better to leave it to the moderates and German tactlessness to do our work for us; and there is at least a possibility that Signor Mussolini's health will break down or that the moderates, led by Count Ciano, will gradually edge him into the background. The moderates know quite well that if Germany attacked Italy she could count on allied support and any back-door approach by us might play straight into the hands of the extremists.[2]

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[1]PRO FO 371/24949, R1595/60/22, minute by Noble, 3 February 1940.

[2]PRO FO 371/24938, R1497/58/22, minutes by Collier, Noble & Nichols, 30 January & 2 February 1940.

Thus any idea of intriguing to remove the Duce from power was ruled out on the grounds that it was too risky and was possibly unnecessary.

Britain's generally positive interpretation of Italian policy continued throughout the opening weeks of 1940. A factor in this was the suggestion from the Anglophile Signor Bastianini, made in private conversation with British officials on 8 January, that London might replace Berlin in a new Anti-Comintern Pact. Loraine felt that such a development 'might very probably provide us with a cooperative link with Italy, of which the Duce would find it extremely awkward to disapprove', and Nichols was also keen to follow it up, even though he was aware that it was 'quite likely that nothing will come of it'. Cadogan, however, was concerned that such an eventuality would mean Britain aligning itself with Japan, which would strain relations with the United States, and therefore advised 'that we had better leave it alone'. This view prevailed, and the reply given to the Italian ambassador, although polite and expressing an interest in the idea, was not overly enthusiastic, and the matter was not raised again by Bastianini.[1] In any event, there is no evidence that the Italian ambassador had acted upon instructions from Rome in making his suggestion, which was, as we shall see, contrary to the general trend of Italian policy at this time. Rather, it seems that he had been acting on his own initiative to try to encourage London to exploit the difficulties in Italo-German relations caused by Nazi-Soviet collaboration by picking up the mantle of opposition to communism which Hitler seemed to have discarded.

There were other reasons for continued British optimism in regard to Italy. George Martelli of the Political Intelligence Department of the FO reported on 17 January, for example, that the Italian press had become yet more balanced

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[1]PRO FO 1011/67, Loraine to Halifax, 22 January 1940, p.3, FO 371/24949, R1103/60/22, minutes by Noble & Cadogan, 23 & 29 January 1940 & Woodward, 1, p.30.

in its presentation of news,[1] and, as part of his report, dated 22 January, on his recent visit to Rome to discuss economic relations, Sir Wilfred Greene, the Master of the Rolls and recently appointed head of the British delegation of the Anglo-Italian Joint Standing Committee, stated that there was a growing anti-German and pro-Allied feeling amongst the people and, more importantly, government, though he added that this was fragile.[2] Loraine remained most optimistic of all, going so far as to comment at one point that 'the risk of Italy's joining up with Germany has pretty well reached the vanishing point'.[3] Halifax was clearly impressed by such reports, for he noted in his diary at the start of February that 'I think one may rest assured that, subject to nothing unforeseen, Italian policy is going to remain as it is at present'.[4]

Even at this early stage in the new year, however, there were also signs of trouble for the British. On 11 January, for example, Loraine reported that considerable progress was at last being made in the settlement of the Alto Adige problem,[5] the successful resolution of which would, as Halifax had been warned in 1939, 'remove the greatest bone of contention between the Axis Powers'.[6] On the previous day, the annual exchange of military information with Italy, provided for under the terms of the Anglo-Italian Agreement of April 1938, had revealed that the budget of the Italian Ministry of War for 1939-40 had been increased to the equivalent of around

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[1]PRO FO 434/7, Part XXI, No. 17, 'Memorandum respecting the Italian press' by Martelli, 17 January 1940.

[2]PRO CAB 67/4, Paper 21, 27 January 1940, Annex, pp.1-2.

[3]PRO FO 371/24949, R1507/60/22, Loraine to Halifax, 22 January 1940, p.4.

[4]BIY Hick. A7.8.3, diary entry for 1 February 1940, p.6.

[5]PRO FO 434/7, Part XXI, No. 16, Loraine to Halifax, 11 January 1940.

[6]PRO FO 800/319, H/XIX/48, Henderson to Halifax, 4 July 1939.

£50 million, almost twice the normal sum.[1] Then, on 16 January, Ettore Muti, the Chairman of the Fascist Party, made a speech in which the audience were told that Fascism did not approve of sympathy for the Allies amongst Italians, that disciplinary measures would be taken if it were persisted in, and that the Italian people should not assume that they would not have to fight.[2]

The British should have taken greater heed of these developments than they did, for the opening weeks of 1940 saw a definite swing in Mussolini's thoughts in favour of Germany. On 3 January, the Duce wrote to Hitler. In this letter, although the Fuehrer was warned that 'a further step in your relations with Moscow would have catastrophic repercussions in Italy', the general tone was that of one ally to another. Mussolini's main purpose in writing the letter was to urge Hitler not to launch the offensive in the West in the near future as Italy was not ready to participate in the struggle at this juncture. Instead, a compromise peace was advocated, the first step towards which the Duce suggested should be the reconstitution of some form of Polish state. Rather than fighting the Allies, Hitler was encouraged to take on the Bolsheviks, a suggestion which was motivated by the desire to safeguard Italy's position as Germany's main ally. Mussolini concluded the letter by telling Hitler that Italy was a reserve for Germany; diplomatically, if the Reich wanted a negotiated settlement, economically, in helping Germany resist the blockade, and militarily, in that Italy was building up its armed forces for intervention at a future stage when such action would not impose a strain on German resources.[3]

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[1]PRO CAB 66/4, Paper 17, 12 January 1940, p.5.

[2]PRO FO 1011/69, 'Report on Mission to Rome' by Loraine, 12 August 1940, para.117.

[3]DGFP, Series D, Vol. VIII, No. 504, Mussolini to Hitler, 3 January 1940, pp.604-9, Cliadakis, H., 'Neutrality and War in Italian Policy, 1939-40' in Journal of Contemporary History, Vol. 9 (1974), pp.177-8 & Knox, Mussolini Unleashed, pp.67-9.

Nor were these words just to please Hitler, for on 6 January, the Duce explained to Ciano that Italy's course remained tied to that of Germany, as to change over to the Allied side would mean 'the confirmation of the [Allied] military and colonial hegemony at Italy's expense'.[1] To be sure, Mussolini was still prone to the occasional fit of pique at the Germans,[2] and Hitler's tardiness in replying to his letter of 3 January was a continuous annoyance to him,[3] but the general trend of his thoughts in the first month of 1940 was definitely away from the Allies.[4]

Hitler's failure to respond positively to his renewed appeal for an Italian-sponsored negotiated peace swiftly led the Duce to return to consideration of possible dates for Italy's entry into the war. Reminded of Italy's woeful lack of preparedness for a major conflict on 10 January, Mussolini suggested to Ciano on the 11th the second half of 1941, though, on 23 January, at a meeting of the Council of Ministers, at which he warned his subordinates that Italy could not remain neutral without falling to the second rank of European powers, the Duce argued that they should join Germany in the second half of 1940 or early in 1941. This change of date was due to Mussolini beginning to give less weight in his musings to practical factors militating against intervention. For example, despite revelations on 20 January that Italy's financial predicament was shocking, the Duce showed no concern over the possibility of inflation on a huge scale, crassly retorting that states are never shaken by financial problems. In any event, the particular date that Mussolini happened to settle on is not the most important thing. What is, is that,

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[1]As cited in Knox, Mussolini Unleashed, p.67. He reaffirmed this on 22 January by telling his son-in-law, 'One thing is certain: we shall never join with them [the Allies]' (Ciano, Diary, 22 January 1940, p.201).

[2]Ciano, Diary, 17 & 28 January 1940, pp.198, 202.

[3]Shirer, p.687.

[4]Ciano, Diary, 1, 19, 23 & 28 January 1940, pp.192, 199, 202-3.

as Ciano noted in his diary on 1 February, 'His mind is set and decided on war'.[1]

It was not long before London was given a firm indication of Mussolini's new found adherence to the German alliance, for, on 8 February, the Duce, abruptly and without warning, torpedoed efforts to reach a comprehensive Anglo-Italian economic agreement by blocking the sale of Italian armaments to Britain. The official explanation for this decision was that Italy needed many of the types of war material Britain wished to purchase for its own rearmament and that it would be dishonourable for Mussolini to allow the sale of weapons to his ally's enemies.[2] Other reasons mooted by the Foreign Office were German pressure, an attempt to win greater concessions, an effort to work up a feeling of grievance against Britain to facilitate entry into the war subsequent to a German offensive, or just a fit of pique. Only the first of these was given much credence, though, and the FO was broadly prepared to accept the official explanation.[3]

This was a partially accurate reading of the situation. Italy certainly did need the bulk of the armaments that it produced for its own rearmament programme, though its need of foreign currency was even more severe, so sizeable quantities of goods of a military nature were sold abroad all the same,[4] much to the discomfort of Italy's military chiefs.[5] Indeed, one of the major recipients of such goods was France, and it was as late as 24 May, a fortnight into the German assault on the West, that Mussolini finally ordered a halt to armaments

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[1]Ciano, Diary, 10, 11, 20, 23 January & 1 February 1940, pp.195-6, 200-1, 204.

[2]PRO CAB 68/5, Paper 56, 13? February 1940, p.3.

[3]PRO FO 371/24929, R2934/48/22, report by Rodd, 25 February 1940, Part II, paras.6-7 & Woodward, 1, p.148.

[4]Mack Smith, Mussolini's Roman Empire, p.199.

[5]Badoglio, p.11.

exports to the French.[1] What enabled this trade to flourish while the Duce refused to sell arms to the British was the fact that contracts were concluded with a dummy Portuguese purchasing company, so that the Italians could deny the existence of an arms trade with France to the Germans. Had this trade been out in the open, it would not have survived. Berlin had complained to Rome about the sale of certain types of material of a vaguely military nature to the Allies in mid January, and Mussolini had only narrowly been dissuaded from banning this trade then by the revelation of how desperately the foreign currency gained from such transactions was needed for Italian rearmament.[2] When the Germans renewed their complaints in early February with regard to the British attempts to purchase arms from Italy,[3] the Duce was left in no doubt as to the damage that would be done to the Axis by agreeing to such sales, and so banned them.

Thus Mussolini's decision of 8 February had everything to do with German pressure and shortages of military material in Italy (partly, of course, caused by the sale of arms on a considerable scale to France), and very little to do with honour. Perhaps even more important than the reasons for the decision, however, was what it signified for the future direction of Italian policy. For the French ambassador in Rome, Mussolini's embargo on open arms sales to the Allies signified that he had decided to 'come down on the German side of the fence', but Loraine was clearly little shaken by the collapse of the economic agreement, arguing that it only meant that 'he refuses to come down on our side, anyway as yet'.[4] In London also, optimism continued to prevail throughout February. Halifax for one gave little credence to rumours of

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[1]Shorrock, pp.273-4.

[2]Ciano, Diary, 14 January 1940, pp.196-7.

[3]DGFP, Series D, Vol. VIII, No. 593, telegram to Rome Embassy, 3 February 1940, pp.738-9.

[4]PRO FO 371/24929, R2383/48/22, telegram from Loraine, 16 February 1940.

a change in Italian policy,[1] and the bulk of information he reported to the War Cabinet reflected this view.[2] The general Foreign Office view of the Italian situation at this time can be found neatly summarised, bizarrely enough, in a report from the Yugoslav press bureau correspondent at Geneva which Noble called 'sensible', Nichols referred to as 'not...far from the truth', and Sir Orme Sargent, the Deputy Under-Secretary of State at the FO, labelled 'a very accurate picture'. The key point made was that Italy would very probably remain neutral until the end of the war. Although Mussolini most likely still favoured intervening on Hitler's side, as 'the victory of Germany would give Italy the possibility of obtaining something while the victory of France and England would leave Italy in the same situation in which she found herself today', strong opposition to intervention within Italy and lack of preparedness for a major war would prevent the Duce from getting his way. Mussolini's personal bond of loyalty to Hitler, however, meant that he was very unlikely to make an agreement with the Allies, though, if he were removed from the equation, it might be possible to persuade the Italians to repeat the events of 1915 and intervene on the side of the western European powers.[3]

British optimism might not have remained so strong had they been more fully aware of the Duce's thoughts and actions. At the start of the war, Mussolini had had doubts over who would win, but was now becoming ever more convinced that Germany would emerge victorious, and so was more determined than ever that Italy should intervene on the Nazi's side.[4] Over the four days of the meeting of the Supreme Commission of Defence in mid February, therefore, he consistently tried to play down

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[1]PRO FO 434/7, Part XXI, No. 37, Halifax to Campbell, 16 February 1940.

[2]See, for example, PRO CAB 65/11, 42nd Meeting, 15 February 1940, 9th minute.

[3]PRO FO 371/24938, R2825/58/22, report from Yugoslav Press Bureau correspondent at Geneva & minutes by Noble, Nichols & Sargent, 7, 21, 22 & 28 February 1940.

[4]De Felice, Mussolini, p.680.

the lengthy catalogue of industrial, financial and military deficiencies revealed to him,[1] arguing simply that 'We cannot remain absent from this drama, which will reshape the history of continents',[2] and, by the end of the month, was ominously talking once again of Italy's claims against France and the need to secure free access to the oceans.[3]

More important than words, though, were actions. Calls-up around this time meant that Italy was expected to have one and a half million men under arms by spring, a significant increase on earlier figures.[4] Mussolini also began to direct a press campaign against the French from the middle of February,[5] which, to the mind of the Italian ambassador in Paris, denoted a grave shift in Rome's attitude to France.[6] Then, having effectively rejected Britain's economic package, the Duce decided to intervene personally in Italo-German trade talks. The Germans had been endeavouring to pursue a more active economic policy towards Italy since the start of the year, the aim being to meet Italian requirements as well as their own, thereby strengthening the Axis. Little progress had been made, however, before Mussolini's intervention. The Duce ordered that sacrifices be made to supply the Reich with raw materials, and the result was a renegotiated Italo-German economic agreement of 24 February that promised maximum efforts from Germany to supply Italy with its full annual requirement of 12 million tons of coal and under which Mussolini was prepared to scour Italy, including the churches, for copper the Germans required for their war effort. Moreover, the agreement contained a secret protocol

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[1]Mack Smith, Mussolini's Roman Empire, pp.203-5.

[2]*'Noi non possiamo rimanere assenti da questo dramma, che rifarà la storia dei continenti'*; as cited in Bottai, Diario, 14 February 1940, p.176.

[3]Ciano, Diary, 25 February 1940, p.212.

[4]The Times, 4 March 1940, p.5, col.3.

[5]Ciano, Diary, 16 February 1940, p.209.

[6]Guariglia, p.148.

encouraging total economic cooperation between the two countries.[1] Italy was now bound more closely than ever to Germany, and tentative Italian efforts to enter into military discussions with the Germans from the end of February threatened to make the bond tighter still.[2] Nothing much came of the subsequent Italo-German staff talks, but the fact that the Italians sought them strongly indicates the direction of Rome's policy at this time.

The opening two months of 1940 had thus seen Mussolini take a more active role in determining Italian foreign policy and set a definitely more pro-German course. The signs were there, some obvious like the scuppering of the Anglo-Italian economic agreement, others more subtle, such as the smoothing out of the Alto Adige problem, yet, for the moment, the British continued to believe that there was little to worry about in regard to Italian policy in the near future. This optimism was not entirely unjustified, given the enduring strength of opposition to intervention within Italy and the country's continued lack of preparedness for a major war, but, at least with hindsight, one has to conclude that the British should have been considerably more anxious about developments in Rome in January and February 1940 than they were. Events in March, however, would open their eyes.

Anglo-Italian Economic Relations: January to February

The opening weeks of 1940 were crucial to Anglo-Italian economic relations. Having decided at the end of 1939 that the time was right to push for formal agreements with Rome over trade and the blockade, the British now endeavoured to conclude the deals that they hoped would improve relations with Italy and strengthen Italian neutrality. Unfortunately, however, this coincided with the adoption by Mussolini of a

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[1]Mallett, 'Anglo-Italian War Trade Negotiations', pp.155-6, Schreiber, Stegemann & Vogel, pp.38-9, Knox, Mussolini Unleashed, p.75 & Ciano, Diary, 21 February 1940, p.211.

[2]Schreiber, Stegemann & Vogel, pp.42-3.

more pro-German course, with the result that British policy in the economic sphere encountered frustration and failure.

At the start of January, Sir Wilfred Greene, the Master of the Rolls and the man recently chosen to head the British delegation to the Anglo-Italian Joint Standing Committee, left for Rome, taking with him proposals for an agreement over the exercise of contraband control, in effect the counterpart of the scheme already put to the Italians for a trade agreement. Under these proposals, the Italian Government would undertake to recommend to the state monopolies and other parastatal importing bodies that they should enter into individual negotiations with the MEW for agreements whereby, subject to satisfactory standing guarantees as to destination, agreed quantities of goods should be passed automatically through the blockade in a given period. This, as Noble minuted, amounted to 'a rationing system on Italy, though it will not of course be so called',[1] yet Ronald Cross, the Minister of Economic Warfare, nevertheless felt that the scheme had a fair chance of being accepted.[2] He was swiftly disabused, however, for the Italians described the British proposals as an attack upon their sovereignty.[3]

Negotiations over blockade issues thus began to founder badly in mid January, though the British could at least take comfort from the fact that there had been a falling off in the number of Italian complaints against economic control by this time, and this in spite of the rendering effective of enemy export control in the Mediterranean, with the exception of German coal, from 10 January. A formal agreement over the blockade nonetheless remained highly desirable, so Loraine was instructed to inform Rome of Britain's inability to maintain for much longer the exemption of seaborne German coal from enemy export control in the hope of resurrecting

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[1]PRO FO 371/24927, R112/48/22, minute by Noble, 4 January 1940.

[2]PRO CAB 68/4, Paper 3, 2? January 1940, p.6.

[3]PRO CAB 68/4, Paper 22, 16? January 1940, p.6.

negotiations.[1] In response, the Italians put forward the simple scheme of a blanket state guarantee against both the re-export to Germany of goods allowed through the blockade and the export through Italy of German goods, essentially a refinement and expansion of earlier Italian offers. This proposal had certain obvious disadvantages for the British, most notably the lack of formally agreed quantitative restrictions on Italian imports and the inherent dependence upon Italian good faith, yet could not be ruled out immediately. Greene therefore returned to London for consultations.[2]

By the time he arrived, the Italians had given the British another difficult economic issue to address. Rome was now insisting, as indeed Loraine had warned in mid December it probably would,[3] that, as part of any comprehensive economic deal, the British purchase additional large quantities of agricultural produce to compensate for the inevitable loss of trade in such consequent upon the interruption of seaborne imports of German coal, for which Italian fruit and vegetables were used to pay.[4]

Both Loraine and Greene felt that Britain should respond positively on both counts. Sir Percy warned that,

> If we reject these propositions we are heading almost certainly for a first class row, a revival of "sanctions" mentality, quite possibly accompanied by a press campaign of a type with which we are familiar, and a refrigeration of our rather painfully restored relations, all of which would be jam for Germany.[5]

Sir Wilfred advised the purchase of horticultural produce currently being used to pay for German coal as payment for

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[1]PRO CAB 68/4, Paper 22, 16? January 1940, pp.6-7.

[2]PRO CAB 68/4, Paper 32, 23? January 1940, p.5.

[3]PRO FO 837/494, Stirling to Hutton, 18 December 1939, p.1.

[4]PRO CAB 68/4, Paper 39, 30? January 1940, p.5.

[5]PRO T 160/938, F13456/02/11, telegram from Loraine, 16 January 1940.

British coal to replace it, arguing in a letter to Halifax that, 'We can't buy the Italian Government: but we can buy 75% of the population and prevent agitations against us being raised amongst them. And the cost, as you see, is not very big'. He also came down strongly in favour of accepting the Italian scheme for a state guarantee, provided it only covered goods consigned to Italian consignees, not those in transit to neighbouring neutrals, and the Italians worked their export control effectively to make the guarantee stick. Acceptance of the scheme would show the Italians that the British trusted them (whereas to reject it would show that they did not), the issue of trust being one upon which Greene placed particular importance in the effort to win the Italians over. Logic seemed to dictate, moreover, that the Italians could be trusted, as the British and French embassies in Rome believed that the leakage to Germany of goods consigned to Italians was comparatively small in importance and the Italian Government's priorities were to build up its own stocks and to increase its export trade (for which German marks were a poor reward).[1] To be sure, acceptance of a blanket state guarantee with no provision for restricting imports to Italy of goods of strategic value by means of the blockade would do little to hinder Rome's ability to improve its military position, but Italian imports were not being restricted in such a way at present anyway, and, as Noble pointed out at the end of January,

> we cannot entirely prevent Italy from accumulating reserves of raw materials unless we are prepared to impose a rationing system on her, which clearly is not practical politics at the moment. All we can do is to ensure that she does not draw dangerously large amounts of raw materials from sources under our control; this is in fact already being done, the practice being to dole out raw materials in the smallest possible quantities.[2]

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[1]PRO CAB 67/4, Paper 21, 27 January 1940, Annex, pp.4-6 & FO 371/24927, R883/48/22, Greene to Halifax, 11 January 1940.

[2]PRO FO 800/320, H/XIX/94, minute by Noble, 31 January 1940.

The issues of increasing horticultural purchases from Italy and the Italian offer of a blanket state guarantee were put in the framework of a comprehensive scheme to resolve Anglo-Italian economic problems in a joint memorandum for the War Cabinet by Halifax and Cross, the Minister of Economic Warfare, on 27 January. The memorandum agreed with Greene that the state guarantee should be accepted (subject to a provision enabling either party to terminate the arrangement if desired and to agreement being reached on one or two administrative points, such as definition of the goods covered by the guarantee), as, despite the scheme's weaknesses, it was considered that, 'The risk of widespread evasion would only be serious if the Italian Government were to embark upon a deliberate policy of forwarding contraband to Germany'. The paper then noted that seaborne German exports of coal to Italy could not be allowed to continue for long lest their exemption from enemy export control anger other neutrals. To stop the supply with as little damage being done to Anglo-Italian relations as possible, Britain would not only have to offer to make up the shortfall in the coal itself, but also in the purchase of agricultural produce currently being used to pay for it. Halifax and Cross felt that there should be no problem supplying the coal, but there was simply no viable market at the moment for the additional £5 million worth of agricultural produce the Italians were insisting Britain buy. The memorandum stated that £2.5-3.5 million worth could be justifiably purchased, though such purchases should be made conditional upon the supply of certain war materials, which Britain needed and the Italian Government was currently refusing to sell, and upon the Italians providing the transport for the produce. Thus, in effect, what was being proposed was 'buying goods which we do not need in order to enable Italy to buy coal which we could without difficulty sell elsewhere'. This transaction may seem ridiculous and illogical on its own merits, but some kind of agreement with the Italians on economic issues was considered essential in order to secure military supplies and shipping, and, above all, to resolve the running sore of Italian resentment at the blockade.

The memorandum drew up a list of proposals for a comprehensive economic agreement with Italy which was to be accepted or rejected as a whole to avoid further lengthy wrangling over minor issues. These were:

> (1) Acceptance in principle of an Italian state guarantee.
> (2) Cessation of seaborne German coal exports to Italy.
> (3) British purchase of an additional £2.5-3.5 million worth of agricultural produce from Italy, conditional upon certain measures being met by the Italian Government as mentioned above.
> (4) Britain to make available in 1940 not less than 8.3 million tons of coal for sale to Italy.
> (5) Clearing negotiations allowing for these and other purchases to be made to be completed.
> (6) Two shipping agreements already provisionally made with Italian shipowners to be signed and brought into force at once.

Halifax and Cross doubted that these proposals would prove quite adequate to meet Italian demands, so they suggested that, although Greene should try to secure agreement on them, he should be authorised, if necessary to obtain a general settlement, to increase the proposed additional agricultural purchases to the level of £5 million for which the Italians were asking.[1]

The War Cabinet considered the Halifax-Cross memorandum on 29 January. The main point discussed was the proposed increase in agricultural purchases from Italy, as it had created a certain amount of unease, especially within the Treasury, where it was viewed, quite legitimately, as largely unnecessary expenditure which would impact negatively upon both domestic production and imports of similar goods from elsewhere.[2] The Chancellor of the Exchequer was therefore keen to comment at the War Cabinet meeting that, 'The war threw a great strain upon us, and expenditure on non-essentials should be avoided as far as possible. Moreover, a transaction of this kind created a most undesirable precedent for negotiations with other neutrals'. Halifax suggested that the problem might be resolved by permanently exempting German

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[1]PRO CAB 67/4, Paper 21, 27 January 1940.

[2]PRO T 160/938, F13456/02/11-12, January-February 1940.

coal from enemy export control, thereby allowing Britain to avoid purchasing the produce it did not want without damaging Anglo-Italian relations. Sir Frederick Leith-Ross, the Director-General of the MEW, swiftly quashed this idea, however, as it would invite protests from many neutrals. In any case, the permanent exclusion of German coal from enemy export control would have drastically undermined the trade deal proposed by the British in which the increased supply of coal from Britain to Italy was fundamental. The problem thus remained, but the Chancellor, concerned by the fact that the United States was already protesting at 'the tenderness which we had shown for Italian susceptibilities', argued that Italy did not need to sell fruit and vegetables in order to pay for increased supplies of British coal. This was a fair point, but Chamberlain noted that, 'We must consider whether, if Italy were forced to find the sterling required, she would remain friendly to us', adding that he was 'disposed to think that at this stage of the war, the goodwill of Italy was so important to us that we should do whatever might be necessary to secure it'. Once that goodwill had been secured, the protests of other neutrals arising from it could be dealt with. Simon was apparently won over by this argument, for later in the discussion he commented that he was now also disposed to think that it would be worth spending up to £5 million on agricultural produce to gain a comprehensive economic agreement, provided Britain secured the Italian anti-tank and AA guns that Oliver Stanley, the new Secretary of State for War, had said were greatly needed, and as long as Italian ships were authorised to carry ore from Morocco to Britain, something which Rome had thus far blocked on the grounds that the Germans viewed it as contraband trade.

The War Cabinet finally agreed that Greene should be authorised to negotiate a settlement in Rome as proposed in the Halifax-Cross memorandum, though with certain additional points. First, the supply of Italian guns should be unconditional as to the manner of their use, so as to counter a possible proviso that they should not be deployed on the Western Front against Germany, where they were most needed.

Second, agreements for the chartering of Italian shipping should be reached, though the insistence on the carriage of Moroccan ore was dropped. Finally, no extra imports of Italian apples were to be agreed to, so as to appease American apple exporters, and thereby, with luck, Washington.[1]

This last point might seem rather trivial at first sight, but it in fact highlights an important issue. Two memoranda had been produced before the War Cabinet meeting, one by the President of the Board of Trade, the other by the Secretary of State for the Dominions, both urging that any further agricultural purchases in Italy should not be at the expense of trade in such goods with other countries, particularly the USA, France, Spain, and the Dominions, lest an agricultural lobby hostile to Britain form in those nations.[2] The fact that the War Cabinet chose to place a block on further imports only of Italian apples shows the extent to which it considered the interests of policy towards Italy should receive priority.

The response of many in the Italian Government to the agreement proposed by Greene on his return to Rome was favourable. Riccardi, the Minister of Currency and Exchange, for example, was keen that the British plan should be accepted in order to ease Italy's economic situation.[3] However, on 8 February, Mussolini abruptly placed an embargo on the sale of armaments by Italian firms to Britain for at least six months. Ciano told Loraine that the Duce's decision did not preclude the purchase by Britain of materials used in the manufacture of armaments, such as sulphur and mercury, and that his intention was not to stifle all Anglo-Italian trade,[4] but, even so, the embargo on arms sales effectively meant the breakdown of the British scheme, for the bulk of the £25

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[1]PRO CAB 65/5, 26th Meeting, 29 January 1940, 1st minute.

[2]PRO CAB 67/4, Papers 26 & 27, 27 & 28 January 1940.

[3]Ciano, Diary, 3 February 1940, p.205.

[4]PRO FO 434/7, Part XXI, No. 30, telegram from Loraine, 8 February 1940.

million that Britain had offered to spend in Italy in 1940 was to have been used to purchase armaments.[1]

Mussolini's decision came as a great surprise, not only to the British, but to many Italians as well, particularly those who had been negotiating in earnest with the British for the past weeks and months,[2] yet there had been indications that something of this kind might happen. Admittedly, at the start of the year, the RAF had, with Mussolini's personal assent, placed an order for 400 Caproni training aircraft at a total cost of £9,000,000,[3] but there had been a host of signs throughout January that the Italians would not be able to provide all the war material the British wanted.[4] Indeed, contrary to the situation in the first months of war, it was the British who were now beginning to complain about Italian tardiness in concluding trade deals of all kinds,[5] and 'the process of attempting to place orders in Italy' had become 'a very painful one'.[6] Then, on 3 February, when Loraine had confirmed to Ciano upon handing him details of the proposed scheme that unless Britain could buy aircraft and guns the whole thing would fall through, the Italian Foreign Minister

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[1]PRO CAB 68/5, Paper 56, 13? February 1940, p.3.

[2]Sir Wilfred Greene commented in a report dated 14 February that, 'the inconsistency between Signor Mussolini's decision and the earlier behaviour of various Departments of Government and other authorities in assisting and even encouraging negotiations for the purchase of war material may be ascribed to a defect in the governmental system of the country, under which there is insufficient liaison between the Departments and the head of Government' (PRO FO 837/495, 'Negotiations with Italy (January-February 1940)' by Greene, 14 February 1940, p.9).

[3]Mallett, 'Anglo-Italian War Trade Negotiations', p.154.

[4]PRO T 160/938, F13456/02/10-12, January-February 1940.

[5]Mallett, 'Anglo-Italian War Trade Negotiations', pp.154-5.

[6]PRO T 160/938, F13456/02/10, Turner to Noble, 5 January 1940.

had said that 'there might be difficulty about it' due to Italy's own rearmament needs.[1]

The fact that Mussolini's embargo resulted in the collapse of the British plan for an economic agreement with Italy led to some criticism of London's tactics. Francis Rodd, for example, criticised the significance given to the purchase of armaments, though only with the benefit of hindsight,[2] and, on the face of it, the British do seem to have been somewhat naive in expecting to reach a deal with Rome that included the open sale of arms to the enemy of Italy's ally. However, until the Duce issued his ban, the Italians, notwithstanding the alliance with Berlin, had entered into negotiations for the sale of arms to Britain in genuine sincerity and there had been no firm indication that armaments sales would be ruled out on principle, one or two deals even actually being struck, as we have seen, and so the charge of naivety is perhaps less valid. Moreover, as the British believed that Italy would only be able to make up the shortfall in its coal supplies once the Allies began seizing seaborne German coal exports by buying from Britain,[3] there was good reason to expect that the economic necessity of securing one's requirements of a vital raw material would outweigh any political objection to the sales of arms needed in order to obtain British coal. Finally, and most important, the purchase of large quantities of arms was crucial to the effort to buy enough from Italy in 1940 to allow the Italians to purchase the additional British coal which London believed Italy would have to buy and which the British were most keen to sell, both to prevent a deterioration in Anglo-Italian relations and, as Rodd explained in a letter to Lord Hankey, the Minister without Portfolio, to gain 'an economic hold' on Italy.[4] Britain

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[1]PRO FO 371/24928, R1641/48/22, telegram from Loraine, 4 February 1940.

[2]PRO FO 371/24929, R2934/48/22, report by Rodd, 25 February 1940, Part II, para.12.

[3]PRO FO 837/495, minute by Nicholls, 13 February 1940.

[4]PRO FO 837/494, Rodd to Hankey, 18 December 1939.

quite simply did not need or want anything that Italy could provide in sufficient quantities to achieve a balanced trade agreement other than armaments.

Rodd, again only after the event, also criticised the decision that Rome had to accept or reject British proposals as a whole,[1] and, on the face of it, there seems no reason why the development of a serious difficulty in attempts to establish a sure footing for Anglo-Italian trade should have scuppered measures under consideration in regard to the blockade. However, London's decision was more rational than it would initially appear because, in accepting the idea of an Italian state guarantee, the British were effectively offering to give up substantial rights in the exercise of economic control, and to have offered to do so without some form of *quid pro quo*, in this case, in the form of a comprehensive trade agreement, would have caused considerable difficulties with other neutrals.

If the British had not been shortsighted in combining trade and blockade questions in a single package, however, they certainly seem to have failed to appreciate the overall weakness of their position *vis-à-vis* Germany in economic relations with Italy. As we have seen, German pressure played a major part in the Duce's decision of 8 February, and the reason for this goes beyond the political factor of the existence of the Axis and the psychological factor of Italian fear of German military retribution. Acceptance of the British plan against German wishes might have put in jeopardy not only German exports of coal by land, the continuation of which was essential to meet Italian requirements given that the British were only offering to make up the shortfall in seaborne supplies from Germany, but also the supply by the Reich to Italy of 67 per cent of its imports of machinery and apparatus, 48 per cent of its imports of wood, 38 per cent of its iron and steel imports, and 22 per cent of its chemical

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[1]PRO FO 371/24929, R2934/48/22, report by Rodd, 25 February 1940, Part II, para.13.

and wood pulp imports, none of which the Allies could conveniently replace. In 1939, Italy had received 27% of its imports from and sent 19% of its exports to Germany, whilst the Allies together had provided just 14% in each category. Rome was simply more reliant economically upon the Germans than the Allies, with obvious implications for a situation in which it was effectively forced to choose between the two.[1]

Although the period for dealing with the recall of goods released under guarantee under the hold-back system and subsequently classed as contraband was increased in the Mediterranean in mid February from ten days to a month in order to appease the Italian Government in the wake of the failure to conclude an agreement on the blockade,[2] the general response in London to the failure of the British economic plan was fairly calm. When he revealed Mussolini's decision to the War Cabinet, Halifax observed that it at least freed Britain from any position of obligation to Italy, and the CIGS said that although the failure to secure guns from Italy was serious, Britain could manage without them.[3] The major reason for this muted reaction was that the British were by no means sure that the Duce's decision would stand, given the belief that Italy could only make good the loss in seaborne German coal by buying from Britain and the news that certain Italian ministers were trying to persuade Mussolini to drop his embargo.[4] Bearing in mind advice from Loraine not to rush into taking any steps which might prejudice a reversal of the Duce's decision, the War Cabinet therefore decided on 14 February to defer discussion of the interception of seaborne

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[1]Medlicott, p.283.

[2]Medlicott, pp.90-1.

[3]PRO CAB 65/5, 38th Meeting, 10 February 1940, 5th minute.

[4]PRO FO 434/7, Part XXI, No. 35, telegram from Loraine, 14 February 1940.

German coal until Greene returned from Rome in a few days time.[1]

On 16 February, however, the War Cabinet was informed of two telegrams from Loraine which made it clear that there was very little prospect of Mussolini withdrawing the embargo in the near future. The following day, Halifax read to his War Cabinet colleagues a letter he had received from Rome concerning the breakdown of negotiations. Loraine considered that there was no need to be unduly depressed about it. The Duce had taken the line that, if he had agreed to the British proposals, he would tacitly have taken a decision of the first importance to render help to Britain against his German ally, not that the Italian Government considered that Britain had attempted to force a political issue with the proposals. Had Mussolini accepted the British scheme, 'we should have secured a political success of a kind which could hardly be expected within nine months of the signature of the Italo-German military alliance, and after only six months of indecisive warfare' (it is surprising that nothing was made of the political implications of the British scheme and their likely impact upon its prospects of success before it was put forward). Loraine felt that Britain had not lost too much from the failure of the negotiations, including Italian goodwill. Italy, on the other hand, might be damaged more by the failure, as it would struggle to obtain elsewhere raw materials it was to have paid for by arms sales to Britain, something which would reduce its ability to wage war. Having read the letter, Halifax agreed with Simon that the time had come to give orders for the interception of seaborne German coal, though he still wanted to speak with Greene first.[2]

The Foreign Secretary duly consulted with Greene on 19 February, when Sir Wilfred, echoing Loraine, expressed the opinion that Italy would run into difficulties securing raw

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[1]PRO CAB 65/5, 39th Meeting, 12 February 1940, 11th minute & 41st Meeting, 14 February 1940, 6th minute.

[2]PRO CAB 65/5, 43rd Meeting, 16 February 1940, 7th minute & 44th Meeting, 17 February 1940, 6th minute.

materials and selling its agricultural produce once the seaborne coal exports from Germany were stopped. This gave him some hope that Italian industrialists might yet be able to exert pressure in time to get Mussolini to reverse his decision, and he accordingly considered that Britain's response to the embargo on arms sales should be neither vindictive nor weak, but polite and firm. The War Cabinet therefore agreed the same day to instruct Loraine to inform the Italians that any ship which left port after 1 March 1940 carrying German coal for Italy would be stopped, and its cargo subjected to enemy export control. This the British ambassador duly did, and, in a telegram dated 20 February, he reported, wildly over-optimistically, as events in March were to show, that 'he was now fairly persuaded that there was going to be no drama over the stoppage of German coal shipments'.[1]

British policy towards Italy in the economic sphere had thus received a very serious check in February 1940 with the failure of the comprehensive scheme covering both trade and blockade issues. Some hope lingered, however, that all prospects for a formal agreement with Rome on economic matters had not disappeared, and, indeed, would be resuscitated once the Italians realised what an awkward position they had put themselves in, particularly over the question of coal supplies. Unfortunately for London, though, the Germans, who had already played a major part in bringing about the embargo on arms sales that had ruined the British plan, were aware of the economic problems that would confront Italy in the near future too, and were to make every effort to ensure that Rome did not need to reconsider its position.

Britain and Italy's Political and Territorial Claims

It is interesting to note that as Mussolini began to tighten his links with Nazi Germany in early 1940, the question of Italy's political and territorial claims was reawakened in London. This issue was not brought back into focus by the

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[1]PRO CAB 65/5, 46th Meeting, 19 February 1940, 6th minute & 50th Meeting, 23 February 1940, 4th minute.

British, however, for, as we have seen, they continued to take a favourable view of Italian policy during the opening months of the second year of the war. Rather it was Italians posted to London who raised the matter and made the British think about it once more.

In fact, the British had been prompted to reconsider the question of Italy's claims in late 1939, when Anglo-Italian relations had begun to show the first signs of real strain since the start of the war. George Martelli of the Political Intelligence Department of the FO had had a conversation in mid November with two Italian journalists who had suggested to him that Britain should seek to open talks on political questions with Rome. Given that the suggestion had not been put forward by officials connected to the Italian Government, Martelli had seen no reason to act upon this at the time of the conversation, but, with the announcement of the introduction of enemy export control causing friction with Rome by the end of the month, he had decided to inform Noble of the conversation. Both men had swiftly agreed, however, that there was no reason for Britain to change its stance on the question of Italy's claims reached at the start of the war and that the time was not propitious for an attempt to initiate political talks.[1] Loraine had also reaffirmed his opposition to such a move, unless the Italian Government took the first step, in early December, and official discussion of the idea had subsequently lapsed as it had in mid September.[2]

It was not long before the issue was revived, however. The Marchese Bernardo Patrizi, an Anglophile who was shortly to be sent to London to act as liaison between the Italian embassy and the MEW, used the opportunity presented by an encounter with Sir Noel Charles in mid January to suggest that some consideration might be given to Italy's political and territorial claims as a means of overcoming Rome's

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[1]PRO FO 371/23788, R11031/1/22, Martelli to Noble, 1 December 1939.

[2]PRO FO 1011/66, Loraine to Halifax, 4 December 1939, pp.4-5.

'fundamental suspicions' about the Allies. This, Patrizi was keen to point out, would strengthen the hand of those in Italy who sought to break with Germany.[1]

By the time news of Patrizi's suggestion reached London at the start of February, the Southern Department was considering a paper entitled 'Italy and the European War' written by Bastianini and handed to the British Government by the anti-Fascist exile, Max Salvadori. This document emphasised the independence of Italian policy and urged the Allies to loosen the blockade and, more importantly, address Italy's political and territorial claims. Bastianini commented at one point that 'It is most unlikely that Italy would make a war in order to enforce her claims, if the prospect exists of reaching a reasonable settlement with [*sic*] peaceful means', and at another that, if Italian desires, which included a free hand to establish a dominant political, economic and cultural position in the Balkans, were met by the Allies, Italy 'will not find herself necessarily on the side of Germany'. The British were thus effectively being offered the prospect of cementing Italian neutrality, possibly even of turning it into alliance, by Italy's senior representative in London.[2]

Despite the elevated status of the author of the paper, reaction to it within the Southern Department was less than enthusiastic, no doubt largely as the fact that it had arrived via Max Salvadori strongly suggested that its production had not been inspired by the Fascist leadership in Rome. Noble also complained that Bastianini had been 'rather vague' on exactly what Italy's claims were, and suspected that they were such that the Allies could not fulfil them. He considered that to sate the Italians would require either the cession of the Suez Canal, 'which we could never allow', or a territorial route between Libya and Abyssinia, which would mean ceding

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[1]PRO FO 371/24938, R1513/58/22, report by Charles, 21 January 1940, pp.3-4.

[2]PRO FO 371/24938, R1497/58/22, 'Italy and the European War' by Bastianini, 30 January 1940.

almost all of the Sudan. As far as the Southern Department clerk was concerned, the likely price for assured Italian neutrality or support was too high, and he concluded that 'Italy must resign herself to the hard fact that the establishment of the "Mare Nostrum" and a new North African Empire can only be achieved by defeating France and Great Britain'. Although he emphasised the importance of winning Italy over to the Allied cause, Nichols agreed with his subordinate that it should not be necessary to make major political and territorial concessions to do so, commenting that,

> While it is true that Italy will always be actuated by self-interest and is in some ways the least reliable of the Great Powers, nevertheless it should not be beyond our diplomacy to ensure that it was in Italy's interest generally to side with us.[1]

Thus the British rejected the idea of initiating talks with Rome on political and territorial issues for the third time since the start of the war. In the wake of Mussolini's fateful decision of 8 February, however, the Southern Department found itself forced to consider the question once more. On 12 February, George Martelli reported recent conversations he had had with the Marchese Patrizi and Count Capponi, the new naval attaché at the Italian embassy in London. Patrizi had stated that intervention on the side of Germany was impossible and expected Italy to come in with Britain and France in eight or nine months time, provided the Allies could prove that they could defeat the Reich. This pro-Allied intervention was not certain, however, and to facilitate it, the two Italians had advocated meeting Italy's claims in the Mediterranean. To encourage British willingness to follow this new path in their relations with his country, Patrizi warned that Italian neutrality could not be secured merely by promoting Italy's ability to profit economically from non-belligerence, pointing out that

> estimates of the extent to which [Italy] could "cash in" by keeping out of the war were greatly exaggerated. For one reason or another, including lack of raw materials

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[1]PRO FO 371/24938, R1497/58/22, minutes by Noble & Nichols, 2 February 1940.

> and plant, her productive capacity was strictly limited and she could never hope to replace the belligerents in the world's markets.

Clearly stirred by what he had been told, Martelli minuted that he had

> gained the impression, perhaps erroneously, that feelers are being put out in the hope that we will come forward with the offer of a bribe, which Italy herself is either too proud to ask for, or prevented from asking for for fear of cheapening herself.

Noble was unimpressed, however, seriously doubting that the views of Patrizi and Capponi represented those of the men in power in Rome, and commenting on the idea of approaching Italy to meet its claims, 'I think it would be the greatest mistake for us to do so now or later unless our need of Italian military support is really extreme (and the value of Italy as an ally is doubtful, except strategically)'. Nichols once again agreed with Noble, minuting that there was 'Nothing here to suggest that we should do well to modify our policy'. Both Sargent and Cadogan subsequently signed the minute sheet upon which the two Southern Department men had made their comments and their decision to add no observations of their own indicates that they agreed with the position adopted by their subordinates.[1]

Thus, despite the blow to Anglo-Italian relations caused by Mussolini's decision of 8 February, the Foreign Office maintained its refusal to seek to initiate discussions on political and territorial issues with the Italian Government. Given the fact that three senior figures from the Italian embassy in London, including the ambassador himself, had urged such a course, and in the light of Patrizi's comment about the probable ineffectiveness of attempting to strengthen Italian neutrality merely through efforts to increase trade, the FO might perhaps be criticised for failing to respond more positively to the string of Italian approaches. Such criticism would be largely unfair, however. To be sure, Patrizi's warning was given less attention that it probably

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[1]PRO FO 371/24938, R2054/58/22, minutes by Martelli, Noble & Nichols, 12 & 15 February 1940.

merited, but, more importantly, it seems extremely likely that the Southern Department was right to doubt that the approaches had been encouraged by the Italian Government. It is impossible to prove why the three demarches were made, and at least one historian, Rosaria Quartararo, has argued that they were indeed inspired by Rome in an attempt to move towards the Allied camp, but she provides no solid evidence for this assertion.[1] It is certainly conceivable that an anti-German figure in the Italian Government, perhaps even Ciano himself, was behind the approaches, but again there is no hard evidence to support such a claim. There is, however, strong evidence to contend that none of the demarches was made with even the slightest official encouragement from Mussolini, the man ultimately, indeed almost solely, responsible for major Italian foreign policy initiatives. This evidence comes from the memoirs of Bastianini, which state that when he and Raffaele Guariglia, the ambassador in Paris, were recalled to Rome in February 1940 and supported the idea of seeking political agreements with the Allies, they were 'received like dogs in church' by the Duce.[2] Perhaps the most likely explanation, then, for the three Italian approaches of early 1940 is that the Anglophile Bastianini, Patrizi and Capponi, disturbed by the developing trend of Mussolini's policy, of which they were presumably more aware than the British, were acting on their own initiative in an attempt to get London to take action which they hoped might change the pro-German course of the Duce's thoughts and actions.

Whatever the inspiration behind the demarches, however, the arguments that were put forward against opening them by the Southern Department were powerful. After all, why should Britain and France have made the major concessions it was believed would be required to achieve concrete results when there was doubt over the military value of an Italian alliance

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[1]Quartararo, Roma, pp.575-86.

[2]*'accolti come cani in chiesa'*; Bastianini, G., Uomini, Cose, Fatti: Memorie di un ambasciatore (Milan, 1959), p.181.

and when there still seemed in London to be reason to believe, as indeed Patrizi asserted, that the Italians would not join the Germans and would gradually move towards the Allies anyway? It was perhaps for these reasons, even more than doubt as to who was really behind the approaches, that, although Italian officials had made the first move, the British elected not to explore the possibility of talks on political and territorial issues at this time.

Britain and Italian Foreign Policy: March to April

British optimism in regard to Italian policy received a serious blow in March. On the 3rd, Loraine sent a communication from the Italian Government responding furiously to the stoppage from 1 March of seaborne German coal imports and raging at the illegality, as Rome saw it, of the exercise of enemy export control and the seizure of mail bags.[1] This was Italy's first formal protest against the blockade, and came at the end of a two month period during which there had been little complaint on the subject in the Italian press and even a general acceptance in Rome that many of the earlier grievances had been mitigated.[2] The change of tone heralded by the Italian note was clear, however, and, on 4 March, Osborne telegraphed the Vatican's belief that Mussolini had now 'issued orders for setting a definitely more pro-German course', an opinion with which Vansittart firmly agreed.[3]

Unsurprisingly, Berlin sought to exploit this latest crisis in Anglo-Italian relations, despatching Ribbentrop at short notice to Italy. Loraine's response to the visit was one of equanimity, however. On 10 March, the day Ribbentrop arrived, he reported that the German Foreign Minister and his suite had received a cold welcome at the station from Count Ciano and that the opinion generally being formed by foreign observers

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[1]PRO FO 434/7, Part XXI, No. 40, telegram from Loraine, 3 March 1940.

[2]The Times, 4 March 1940, p.6, col.5.

[3]PRO FO 371/24929, R3215/48/22, telegram from Osborne & minute by Vansittart, 4 & 6 March 1940.

was that Mussolini was annoyed by the visit.[1] This was followed three days later by a telegram stating that Ciano had informed Sir Percy that Italian policy had not been changed as a result of the two meetings held with Ribbentrop.[2] Loraine even commented on 14 March that the whole episode had been 'due probably to uneasiness in Berlin over the Italian attitude'.[3] Back in London, Noble was prepared to accept Sir Percy's reassurances, and considered that the situation in Italy was no more dangerous than before Ribbentrop's visit, but both Sargent and Cadogan were less confident.[4] Chamberlain, meanwhile, doubted that German efforts would come to much, though he was concerned by the fact that 'Mussolini is an incalculable factor'.[5]

Overall, Ribbentrop's visit to Rome did not, as Ciano told Loraine, substantially alter Italian policy, but it was not without significance. At the first of two meetings, the Reich Foreign Minister handed over Hitler's long awaited reply to the Duce's letter of 3 January and then proceeded to expound upon the key points contained in it. The Fuehrer was said to be furious at the stoppage of seaborne German coal, calling it 'an unheard of attempt by the pluto-democratic States, aimed at strangling Italy economically'. This was skilfully followed up with an offer to supply all Italy's coal requirements by land. Ribbentrop then told the Duce and Ciano that Germany would attack France this year, and added his conviction that the Allies would be crushed by the autumn. The commonality of the fate of Nazism and Fascism was stressed at this point, the obvious message being that Italy stood to

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[1]PRO FO 434/7, Part XXI, No. 50, telegram from Loraine, 10 March 1940.

[2]PRO FO 434/7, Part XXI, No. 56, telegram from Loraine, 13 March 1940.

[3]PRO FO 434/7, Part XXI, No. 60, Loraine to Halifax, 14 March 1940.

[4]PRO FO 371/24936, R3419/57/22, minutes by Noble, Sargent & Cadogan, 16 & 18 March 1940.

[5]BUL NC 18/1/1147, Neville to Ida Chamberlain, 16 March 1940, f.2.

benefit by joining Germany and to lose by remaining aloof. Hitler's diplomat next moved on to the issue of Soviet Russia, with whom Italy's relations were still far from good, reassuring his audience that the Soviets would not attack in the Balkans, had given up on the idea of world revolution, were really more nationalist than communist, and had been forced into the war with Finland. In short, the present regime was little different to those of the Tsar's day. Ribbentrop rounded off his performance with a liberal dose of flattery for the Duce and his government, including thanks for such economic assistance as Italy had thus far rendered the Reich.[1]

At the second meeting the next day, Ribbentrop was told that the Duce was far from convinced about the Soviets, though Mussolini added that he was not averse all the same to efforts to improve Russo-Italian relations. The Duce did agree about the commonality of the fate of Nazism and Fascism, however, and, most importantly, affirmed that Italy would enter the war against the Allies to address the problem of its land and maritime frontiers. Crucially, though, the significance of this declaration was greatly diminished by Mussolini giving no indication as to when intervention might occur and stating that Italy could not stand a long war financially.[2]

Ciano noted in his diary that night that 'If he [Ribbentrop] wanted to reinforce the Axis, he has succeeded. If, on the other hand, he wanted to accelerate our intervention, he has not achieved his aim'. On the face of it, this comment is accurate, but it misses the key point that any strengthening of the Axis was likely to increase yet further Mussolini's desire to intervene as soon as possible. For the moment, however, it seemed that Ciano had cause for relief, for Ribbentrop's departure was followed by several days of concern on the Duce's part that he might have given too strong an

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[1]Ciano, Papers, record of conversation between Mussolini & Ribbentrop, 10 March 1940, pp.339-49.

[2]Ciano, Papers, record of conversation between Mussolini & Ribbentrop, 11 March 1940, pp.349-59.

impression that Italian intervention was imminent, whereas, if the Germans went ahead with their plans to launch an offensive against the Allies in the coming weeks, Italy would be compelled by practical factors to remain non-belligerent. This led Mussolini to resolve to try to dissuade Hitler from attacking in the West and to inform Ciano that, if Germany attacked anyway, Italian forces 'will constitute the left wing which will tie up an equal number of enemy troops without fighting, but ready, none the less, to go into action at a convenient moment'; in other words, Italy would only intervene if the Allies appeared to be on the verge of defeat.[1]

The most important repercussion of Ribbentrop's visit was the arrangement of a meeting between the Duce and the Fuehrer at the Brenner on 18 March. To some in London, this was a worrying development. Chamberlain, for example, chose the day of the meeting to enquire if it would be possible to concentrate a fleet in the Mediterranean if developments made this desirable,[2] and Cadogan, clearly in a fit of pique, referred to the Italians in his diary as 'double-crossing monkeys'.[3] Others were more sanguine, however, Halifax confiding to his diary on 18 March that he suspected the meeting would not lead to any great changes, and drawing considerable reassurance the next day from the simple fact that Ciano had been at the Brenner, even though there was no news yet as to exactly what Mussolini and Hitler had talked about.[4]

Initially, Loraine tried to reassure the worriers in London. A telegram of 19 March reported that Ciano had informed him that, as with the Ribbentrop visit, the Brenner meeting would

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[1]Ciano, Diary, 11-17 March 1940, pp.220-3.

[2]PRO CAB 65/6, 71st Meeting, 18 March 1940, 2nd minute.

[3]Cadogan, Diaries, 18 March 1940, p.264.

[4]BIY Hick. A7.8.3, diary entries for 18 & 19 March 1940, pp.56-7.

not lead to any change in Italian policy,[1] and a report dated the 21st noted that the Italian press had referred to the incident merely as 'a normal and natural consultation within the framework of the Italo-German alliance and agreements'.[2] That same day, however, Loraine telegraphed that when the French ambassador had 'reminded Ciano that Anglo-French horse although a slow starter usually came through with a winning run in the straight, Ciano replied that Signor Mussolini had backed the German horse and had now doubled his bet'.[3] The view that arrived on 22 March from the Vatican was even more disturbing. Osborne reported that his information was that Mussolini had returned from the Brenner 'certain of Herr Hitler's military success', and opined that early German victories in a campaign in the West would bring Italy into the war.[4]

The anxious tone of these latter reports was justified, for, although the Brenner meeting followed a similar course to the two meetings between the Duce and Ribbentrop in Rome, Hitler dominated the encounter and exercised a powerful influence over Mussolini, persuading the Italian to agree that 'a danger of Bolshevik contagion does not exist' and that the Germans had been quite right to deal with the Poles as they had. Moreover, not only did the Fuehrer's talk of imminent German success against the Allies dissuade Mussolini from trying to deter Hitler from launching his offensive in the West, but it encouraged the Duce to promise that Italy would intervene 'as soon as Germany has by her military operations created what the Fuehrer describes as a favourable situation', or, 'Should the German advance develop with a slower tempo, the Duce would

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[1]PRO CAB 65/6, 74th Meeting, 21 March 1940, 4th minute.

[2]PRO FO 434/7, Part XXI, No. 67, Loraine to Halifax, 21 March 1940.

[3]PRO FO 371/24936, R3650/57/22, telegram from Loraine, 21 March 1940.

[4]PRO FO 434/7, Part XXI, No. 65, telegram from Osborne, 22 March 1940.

wait until the moment when his intervention at the decisive hour could be of real use to Germany'.[1]

Interestingly, and explaining the reassurances he gave Loraine on 19 March, Ciano recorded in his diary on the evening of the Brenner encounter that 'The meeting has not substantially altered our position'.[2] In that Mussolini had been yearning to enter the war since its beginning, practical factors continued to militate against intervention, and no specific date had yet been set for entry, Rome's position had indeed not been substantially altered, but the Duce had nevertheless moved Italy one step further towards intervention. Before the Brenner meeting, Mussolini had promised Ciano that he would reserve for himself the choice of timing of Italian entry,[3] and, by avoiding specific dates, he had essentially done this. The Duce had, however, given Hitler, albeit rather vague, assurances as to when Italy would intervene, and this surely denoted a development in Italy's position towards entering the war.

Ciano was swiftly shaken from his initial self-delusion. On 23 March, he noted in his diary that Mussolini 'now speaks openly of entering the war at the side of Germany and even defines our course of action: defensive in the Alps, defensive in Libya, offensive in Ethiopia against Jibuti (*sic*) and Kenya, aero-naval offensive in the Mediterranean'.[4] He added that the Duce's attitude was 'beginning to influence many Fascist leaders', though 'the people of all social levels' still opposed intervention. On 26 March, Mussolini informed the Hungarian Prime Minister that Italy would enter the war on

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[1]Ciano, Papers, record of conversation between Mussolini & Hitler, 18 March 1940, pp.361-5.

[2]Ciano, Diary, 18 March 1940, p.224.

[3]Ciano, Diary, 16 March 1940, p.222.

[4]This strategy was subsequently committed to paper by the Duce on 31 March and circulated amongst the Fascist and military elite. It was to be the nearest thing Italy had to a coherent strategic plan when it entered the war in June (Knox, Mussolini Unleashed, pp.88-9).

Germany's side,[1] and, the same day, orders were given to the press not to attack Russia.[2] It soon became clear who the new target was when the propaganda ministry began to put out pro-war and anti-British messages daily from the start of April.[3] On 2 April, at a meeting of the Council of Ministers, Mussolini spoke of the necessity of engaging in the conflict to prove Italy's status as a Great Power, to win an empire in the Mediterranean, and to gain free access to the oceans.[4] The date for Italian intervention was still not yet set, however, the Duce considering it a matter of delaying it as long as possible, consistent with honour and dignity, so as further to improve Italian preparedness.[5]

By the end of March, the Brenner meeting had clearly gone some way towards a reassessment of the Italian situation in London, for, on the 31st, Halifax felt compelled to write to the Service ministers to inform them 'that we, in the Foreign Office, after due reflection, cannot guarantee that Italy will not at once join the Reich as a belligerent, should the Germans launch their Blitzkrieg and obtain what might be interpreted as an initial success'.[6] The military needed little warning, however, for the COS were already contemplating steps that might be taken in response to the change of mood in Italy, and, on 27 March, had produced an aide memoire, in consultation with the MEW, on economic and military measures to deter Italy from entering the war.[7] More explicitly, in an assessment of 'Certain Aspects of the

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[1]Ciano, Diary, 23 & 26 March 1940, pp.225-7.

[2]Bottai, Diario, 26 March 1940, p.181.

[3]Mack Smith, Mussolini, p.289.

[4]Ciano, Diary, 2 April 1940, p.231.

[5]PRO CAB 146/1, 'Axis Plans and Operations in the Mediterranean: September 1939 - February 1941', March 1950, Part I, pp.7-8.

[6]PRO FO 371/24936, R3661/57/22, Halifax to Churchill, 31 March 1940.

[7]PRO CAB 80/9, Paper 275, 27 March 1940.

Present Situation', produced on 26 March, the COS had commented,

> If, as we think may be the case, Italy is at the cross roads, all possible steps should be taken to ensure that she moves in the right direction. It might, for example, be thought that our best course was to arrange a show of force in the Middle East with the object of impressing her with the dangers of ranging herself against us. On the other hand, it might be thought that this would be provocative, and that the better policy was to maintain our present conciliatory attitude.

The COS had stopped short of offering their own opinion, as it was a political question, but they had urged discussion of the basis of policy towards Italy as soon as possible.[1]

It should come as no surprise that the COS made this plea, or that sections of the British Government had begun to consider tougher policies for handling Italian non-belligerence, as the basis of policy hitherto, namely that increasing Allied strength *vis-à-vis* Germany, German insensitivity towards the Italians, and widespread dislike of the German alliance in Italy would lead to the Italian Government gravitating increasingly towards the Allies provided London and Paris adopted a conciliatory attitude towards Rome, had clearly been called into question by developments since the start of the year. Reports of heightened Italian military preparations around this time, moreover, emphasised the urgency of the need to reconsider general policy towards Italy. The Italian Air Force was being increased by a third in its squadron establishments and three new groups were being formed, one of which was to be based in Sicily. Italian naval activity remained fairly muted, but 400,000 recruits had been called up to the Italian Army in March, and there were reports of suspension of leave from 1 April.[2]

Interestingly, concern as to Italian intentions had died down somewhat in the Foreign Office by the end of the first week of April. Loraine, in London for consultations, told Halifax on

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[1]PRO CAB 66/6, Paper 111, 26 March 1940, p.4.

[2]PRO CAB 66/6, Paper 114, 29 March 1940, p.9 & CAB 66/7, Paper 123, 5 April 1940. pp.6-7.

the 4th that he was still of the opinion that Mussolini would not come in unless and until Britain was already practically beaten, and the Foreign Secretary noted in his diary two days later that

> I still adhere to my view that he [Mussolini] is going to bark more than bite. It is all part of dictator technique to keep poor timid democracies jittering. What they cannot as yet succeed in understanding is that we are much less frightened of them jumping out on us now than we were at the time of Munich.[1]

Nonetheless, the War Cabinet broached the crucial question of policy towards Italy on 4 April. Churchill took the lead in wondering whether the time had come to force Italy to define its attitude. Chamberlain stated that he was thinking along similar lines, but wanted to wait until the position in France, presumably meaning the new government under Paul Reynaud, had been consolidated. He added that he felt that 'Signor Mussolini was rather presuming on our goodwill'. Halifax was not so sure of the wisdom of the change in policy being mooted, and thought that Loraine should be consulted as to whether his opinion given at the start of the war that Italy should not be forced to declare its position had altered. The suggestion was subsequently made that the Duce might not be genuinely intending to enter the war, but was bluffing by creating anxiety as to his intentions, so as to raise his value. This seemed to be supported by the fact that some of the Italian military preparations currently under way did not appear to be of the kind that would suggest that Italy was planning an early entry into the war (for example, men being called up for the Army were raw recruits rather than reservists). Nevertheless, the War Cabinet decided that a proper examination of Britain's whole policy towards Italy should be conducted, with particular emphasis being placed upon a joint study by Halifax and Cross into the issue of the blockade.[2]

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[1]BIY Hick. A7.8.3, diary entries for 4 & 6 April 1940, pp.66, 68.

[2]PRO CAB 65/6, 81st Meeting, 4 April 1940, 2nd minute.

One of the most interesting things about this War Cabinet meeting was Chamberlain's apparently hardening attitude to Italy. This was presumably only a show to conciliate his more hawkish colleagues, however, for other evidence makes it clear that the Prime Minister was still keen to pursue a conciliatory policy towards Rome. The coal crisis of early March and the disturbing trend of events throughout that month had decided Chamberlain to utilise a secret channel he had to Mussolini. Established in 1937 with the help of Count Grandi, the then Italian ambassador in London, to enable Chamberlain to circumvent Eden, this secret channel operated through an envoy, Adrian Dingli, the solicitor to the Italian embassy in Britain, who carried messages back and forth at infrequent intervals between the Prime Minister and the Duce. Since Halifax had succeeded Eden as Foreign Secretary, there had been less use for the secret channel, but Chamberlain now considered it might have a use once more. Presumably with at least the knowledge of Halifax and R.A. Butler, the Parliamentary Under Secretary of State at the FO, who had both been informed of the existence of the secret channel in January, Dingli was despatched to Rome in early April with a personal message of goodwill for Mussolini.[1]

Chamberlain's message was duly passed on via Ciano on 5 April, but it had little effect, the Italian Foreign Minister referring to it in his diary as 'useless'. Dingli's latest visit to Rome was not without consequence, however, for the Duce exploited the opportunity to launch a peace offensive. Ciano urged Chamberlain's envoy on 5 April to persuade his master to seek a negotiated settlement with Hitler, but was bluntly told that British public opinion would not stand for such talks. Nevertheless, at a second meeting two days later, Ciano, acting on instructions from the Duce, informed Dingli that 'in the event of Chamberlain being ready to offer possible conditions [i.e. those that Hitler would be prepared to accept] we could become intermediaries for his proposals

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[1]Quartararo, R., 'Il "Canale Segreto" di Chamberlain' in Storia Contemporanea, Vol. 7 (1976), pp.701-5.

and facilitate a compromise' to end the war.[1] Mussolini's plan was revealed to Chamberlain upon Dingli's return to London in mid April, and, in spite of the unpropitious course of the Norwegian campaign, the Prime Minister determined that 'there could be nothing doing on the lines proposed'.[2]

The Duce's offer to mediate a compromise peace clearly shows that he was not irrevocably committed to military intervention at this stage. Indeed, before the meeting of the Council of Ministers on 2 April at which he spoke of the necessity of entering the war, Mussolini had decided to write to Hitler in an attempt to dissuade him from initiating a land offensive.[3] Keen as he was to lead his country into war, the Italian dictator could not escape for long from the practical factors militating against such a policy, much as he tried to ignore them.[4] Desperate to avoid having to choose in the near future between the ignominy of remaining aloof while Germany and the Allies decided the fate of Europe on the battlefield and the enormous risks that a premature military intervention would entail, the Duce tried to avert, or at least postpone, the titanic clash of arms that Hitler was planning.

Mussolini clearly lacked faith in his prospects of success, however, for he wrote to Franco, the Spanish dictator, on 8 April, explaining that Italy would have to enter the war on Hitler's side due to Allied determination to strangle with their blockade the neutrals who bordered Germany. The date of intervention could not be foreseen, and Mussolini would try to postpone it as long as possible, but he doubted whether Britain and France would allow him to succeed in this. He was

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[1]Quartararo, 'Il "Canale Segreto"', pp.706-9 & Ciano, Diary, 5, 6 & 7 April 1940, pp.231-3.

[2]PRO T 273/410, note by Sir Horace Wilson, 20 April 1940.

[3]Ciano, Diary, 1 April 1940, p.230.

[4]See, for example, Balbo's comments in Fermi, L., Mussolini (Chicago, 1961), p.405.

therefore going to mobilise the Italian Fleet and take other measures to improve the readiness of the Army and Air Force.[1]

Within 24 hours of the penning of this letter, the Germans had invaded Scandinavia, a development which had important repercussions not only for the course of the war with Germany, but also for Anglo-Italian relations. However, as we have seen, one may already see the beginnings of a reassessment both of British views of Italian policy and of British policy towards Italy before this event, largely occasioned by fears as to exactly what had transpired at the Brenner. It came not before time.

Anglo-Italian Economic Relations: March to April

March and early April 1940 was a period of reflection for the British Government as to how to handle economic relations with Italy, particularly in regard to the blockade, in the wake of the failure of its comprehensive scheme for an agreement on economic issues. We have seen how, in mid to late February, London had essentially adopted a holding position, in the hope that Mussolini might reconsider his attitude over the sale of armaments to Britain, but the increasing improbability of this happening by March, as well as the obvious strengthening of the bond between Italy and Germany, now encouraged the British to contemplate a change of tack.

On 1 March, the Foreign Office produced a report, drawn up in consultation with other departments, on the present state of Anglo-Italian economic relations. Mussolini's embargo on arms sales meant that the proceeds of British purchases from Italy in 1940 would now only be in the region of £7-9 million, though an additional two million in sterling from trade with France and a further £2 million from shipping agreements with Britain, should they go through, would increase Italy's sterling credit to £11-13 million. The report pointed out that although this was theoretically sufficient to allow Italy to buy the eight million tons of British coal it was believed

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[1]DDI, 9th Series, Vol. III, No. 726, Mussolini to Franco, 8 April 1940, pp.623-4.

it would now need to buy in the wake of the stoppage of seaborne German coal imports, this would leave little or no margin for purchases of other raw materials from Britain and the Empire that Italy required. Moreover, the devotion of nearly all Italy's sterling credit to the purchase of coal was also undesirable from the British perspective, as the reduction of other Italian purchases below the level of £2.25 million would have a serious effect on various lines of British export trade. By maintaining its present level of non-coal purchases, however, Italy would only be able to buy around four million tons of British coal in 1940. Rome was thus expected to be faced with a coal supply crisis. To ease the dislocation caused by the stoppage of seaborne German imports, and thereby hopefully limit the damage to Anglo-Italian relations, the Italians would be allowed to run up as much credit as they could on purchases of British coal in March. Thereafter, however, the report advised that, 'in the absence of any change of heart on the Italian side', the British should terminate this facility, with the result that Italy would have either to

> find means of financing her essential imports whether by sales of armaments or payments in free exchange, or else resign herself to a restriction of imports of a severity which may not inconceivably bring Italian industry almost to a standstill.

As far as trade with Italy in general was concerned, the FO report noted that it had been agreed at an interdepartmental meeting to continue outstanding negotiations for purchases in Italy and in future to buy from Italy whenever convenient. The additional purchases of agricultural produce, however, would not be made, though negotiations to charter Italian ships to bring goods to Britain were still in progress. With regard to the blockade, the state guarantee scheme would be taken no further in present circumstances. Overall, the report advised that,

> in dealing with economic and contraband questions our attitude should continue to be as friendly and helpful as possible short of now giving the impression that we are

> prepared to make any further concessions without some substantial "quid pro quo".[1]

The War Cabinet briefly discussed and approved this report on 4 March. The previous day, Rome had sent a note furiously complaining about the decision to seize seaborne German coal, but, rather than encouraging a more conciliatory attitude as Italian ire had tended to do in the past, this only led the War Cabinet to decide that it was 'doubly undesirable that we should do anything to make matters easier for the Italian Government'.[2]

There was clearly thus a certain hardening of Britain's attitude towards Italy in regard to economic issues in early March. British policy in this sphere did not suddenly become unflinchingly uncompromising, however, as the episode of the Italian colliers at Rotterdam demonstrated. The Italian Coal Monopoly asked in early March that ships loading at this port be granted an extended respite from enemy export control, on the grounds that they would have sailed before the 1 March deadline but for adverse weather. This was turned down by the War Cabinet, but the representatives of the Coal Monopoly in the Netherlands, allegedly as a result of a genuine misunderstanding, publicly announced that a further exemption had been granted. Consequently, despite a prompt denial by the British, thirteen colliers left Rotterdam between 3-5 March and were detained, their cargoes being put in prize. This outraged the Italians, but the crisis was swiftly defused when, on 8 March, the War Cabinet decided to release these ships and their cargo in return for a promise from Rome that the colliers remaining in Dutch and Belgian ports should not attempt to sail with German coal, and that no further ships should be sent to fetch German coal from those ports in the future.[3] The British were cock-a-hoop about the resolution of

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[1]PRO CAB 67/5, Paper 68, 1 March 1940.

[2]PRO CAB 65/6, 59th Meeting, 4 March 1940, 7th minute.

[3]PRO CAB 68/5, Paper 82, 5? March 1940, p.2 & Paper 90, 12? March 1940, p.3.

this potentially disastrous dispute, Halifax noting triumphantly in his diary, 'One up, I think, to us',[1] and Cadogan rejoicing in 'A smack in the eye for Rib[bentrop] on his arrival in Rome, when I expect he hoped to rope the Italians into the war. There may be something in 'appeasement' yet!!'.[2] The Prime Minister was equally pleased, noting that the quantity of coal contained in the 13 ships detained was a small price to pay for Italian promises not to try to run the gauntlet of the blockade in such a way again.[3]

The deal struck as a result of the Rotterdam colliers dispute was clearly seen in London as a success for a policy of firmness allied with a willingness to compromise, then, but the issue of Italian coal supplies in general remained unresolved. The British were still keen to meet the expected shortfall in Italian coal supplies consequent upon the stoppage of seaborne German coal so as to avoid friction with Rome and increase Italian dependence upon British sources of supply, but the problem remained that the only goods Britain wanted from Italy in sufficient quantities to pay for increased supplies of British coal were of a military nature. A scheme was being mooted in early March to get round this, however, whereby Italian armaments would be paid for with British coal but delivered to Britain's ally, Turkey, in fulfilment of the terms of the Anglo-Franco-Turkish Pact of October 1939.[4]

The prospects for this plan, and London's belief that Italy depended upon Britain to obtain sufficient quantities of coal in the wake of the stoppage of seaborne German supplies, were called into question on 13 March, therefore, when Loraine

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[1]BIY Hick. A7.8.3, diary entry for 9 March 1940, p.45.

[2]Cadogan, Diaries, 9 March 1940, p.260.

[3]BUL NC 18/1/1146, Neville to Hilda Chamberlain, 10 March 1940, f.1.

[4]PRO FO 371/24929, R2967/48/22, minute by Cadogan, 6 March 1940.

reported a press communique announcing that Germany had undertaken to supply Italy with all its coal requirements by land.[1] Three days later, though, Sir Percy reassuringly reported that trading circles considered this 'uttermost phantasy (*sic*)', and that the Italians still seemed to want to purchase four million tons of British coal per annum.[2] This latter point suggests that the Italians also had some doubts as to their ally's ability to supply all their coal requirements by land, and this is confirmed by the fact that Mussolini set aside a billion lire in gold at the Bank of Italy in early March for future imports from Britain.[3] Indeed, even the Germans themselves were far from convinced that they would be able to fulfil their promises, as they had initially forecast that they would be able to guarantee supply by rail of only half of Italy's coal requirements each month.[4] Events soon showed, however, that this was an underestimate, as the Reich proved able to supply Italy by land with an average of 900,000 tons of coal a month, not the million tons a month promised, admittedly, but close enough for the Italians to have no great need for British coal any more.[5] Doing so certainly increased the strain on the German railway system, an advantage that was not lost on Lord Halifax,[6] but this was small compensation for the trumping of Britain's best card in Anglo-Italian economic relations.

More hopefully for the British, reports in the middle of March indicated that many Italians were keen to respond positively to Chamberlain's comment in parliament on the 11th, in the

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[1]PRO FO 434/7, Part XXI, No. 55, telegram from Loraine, 13 March 1940.

[2]PRO FO 434/7, Part XXI, No. 57, telegram from Loraine, 16 March 1940.

[3]Ciano, Diary, 1 March 1940, p.214.

[4]DGFP, Series D, Vol. VIII, No. 589, memorandum by Wiehl, 1 February 1940, pp.726-8.

[5]Schreiber, Stegemann & Vogel, pp.34-5.

[6]BIY Hick. A7.8.3, diary entry for 15 March 1940, p.53.

wake of the resolution of the dispute over the Rotterdam coal ships, that, 'It may be hoped that the way has now been opened for a resumption of negotiations between our two countries for the furtherance of trade to our mutual advantage'.[1] Edward Playfair was consequently despatched to Rome again to resume talks on the revision of the clearing agreement,[2] though there was no clear idea of what kind of arrangement should be aimed for, as the nature and level of Anglo-Italian trade, even in the near future, was extremely uncertain.[3] Thus, the value of the resumption of trade negotiations was doubtful, and there was certainly not the great hope that there had been in 1939 and early 1940 that they might achieve very much in the political sphere by way of markedly improving Anglo-Italian relations or strengthening Italian neutrality. As Playfair himself later commented,

> These conversations, covering the whole scope of Italian trade with the sterling area, went on at intervals until May 1940. We were never ready to do more than talk about much in the Italian list of demands, for several reasons: some of the materials cost dollars, some were extremely scarce, and most were obviously wanted in order to build up stocks against a possible war. As the months went by and the political situation worsened, the general trade discussions became less and less real, and though the facade was kept up to the end, both sides paid more attention to particular deals which could be closed quickly, before worse befell.[4]

As soon as they resumed, Anglo-Italian commercial negotiations ran into serious difficulties. A key issue for the Italians was that the British should increase the level of their 'normal' (i.e. pre-war) purchases from Italy which had fallen at the start of the war due to the British policy of restricting non-essential imports as far as possible in the interests of sound war finance. They were especially keen that Britain should greatly increase its importation of

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[1]PRO FO 434/7, Part XXI, Nos. 56a & 57, telegrams to & from Loraine, 14 & 16 March 1940 & Parliamentary Debates, House of Commons, 5th Series, Vol. 358, cols.809-10.

[2]PRO CAB 68/5, Paper 98, 19? March 1940, p.2.

[3]PRO FO 837/497, minute by Stirling, 14 March 1940.

[4]As cited in Medlicott, p.287, n.1.

Italian agricultural produce, but, although the British were prepared to make small increases in the purchase of such goods, they were not prepared to make any major changes in the level of their 'normal' trade with Italy.[1]

The dispute from earlier negotiations over the method of payment for British purchases in Italy also resurfaced. As Waley of the Treasury pointed out in a letter to Nichols of the FO,

> What the Italians want is to have a considerable amount of sterling at their free disposal for sale in New York, as large an amount as possible for sterling raw materials, and as little as possible for U.K. manufactured goods and British financial claims.

The British remained most keen, however, to channel everything through clearing and to restrict as far as possible the manner in which Italy could dispose of the proceeds of its trade with Britain, not just in the interests of limiting Italy's access to strategic raw materials, but also because 'every pound we give to the Italians which they can turn into dollars, and every pound which we give them which they can spend on raw materials for which we should otherwise get dollars, is a direct crippling of our own war effort'.[2]

With Anglo-Italian trade thus experiencing severe difficulties and declining in political importance anyway, the blockade returned to the forefront of economic relations with Rome. In the wake of the collapse of Finnish resistance against Russia in early March, there was intense pressure in France for the war to be conducted more vigorously than hitherto, and this was reflected on 19 March, when the French embassy in London forwarded a memo from Monnet, the new French Minister of Blockade, urging that consideration should be given to measures for tightening the blockade and for rationing neutrals in the importation of commodities essential for military purposes, especially if the neutrals had already

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[1]PRO T 160/939, F13456/02/16-17, March-April 1940.

[2]PRO T 160/939, F13456/02/18, Waley to Nichols, 13 April 1940.

stocked these in excessive quantities.[1] The British Government was also being urged by sections of the press and parliament by this time to tighten the blockade,[2] so, when Paul Reynaud, who had recently replaced Daladier as Prime Minister, brought up the issue of rationing neutrals at the sixth meeting of the Supreme War Council on 28 March, the British agreed that the subject should be investigated further.[3]

The question of tightening the blockade was becoming particularly apposite in regard to Italy for, despite the declarations made at the end of January that there was no great leakage of contraband goods to Germany via Italy, it was becoming clear by early spring that this was no longer the case. Indeed, Italy was now believed to be the 'next leakiest' country after the Soviet Union,[4] a change which can perhaps be largely explained by German pressure.[5] The fact that 'Italian imports and exports are still not satisfactorily under control' led the COS to urge in late March that 'we should do our utmost to close the gaps in our contraband control',[6] and, in a huge draft appreciation of the major strategy of the war produced on 8 April, the JPC argued, with reference to Italy and the blockade, that 'some risk should be taken to stop the leakage, and it is perhaps relevant that steps taken to effect this would show the Italians the great economic difficulties in which war would involve them'.

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[1]PRO CAB 68/5, Paper 109, 3 April 1940, pp.1-2.

[2]Medlicott, p.46.

[3]PRO CAB 99/3, 6th Meeting, 28 March 1940, pp.13, 24.

[4]PRO CAB 65/6, 81st Meeting, 4 April 1940, 1st minute.

[5]See, for example, DGFP, Series D, Vol. VIII, No. 593, telegram to embassy in Italy, 3 February 1940, pp.738-9, in which the German ambassador in Rome was instructed to inform the Italians that Berlin considered that they should 'be unremitting in offering resistance [to the blockade] and more forceful than in the past' so as to give the Reich 'effective assistance in the transit trade'.

[6]PRO CAB 66/6, Paper 111, 26 March 1940, p.2.

Specific measures suggested to tighten economic control in the Mediterranean were, in order of severity;

> (1) a firm exercise of belligerent rights towards Italy, including introducing a "Black List" procedure to deal with Italian firms known to be dealing with the enemy.
> (2) the rationing of Italian imports by agreement, or failing that, by unilateral Allied action.
> (3) specific economic action based upon Italy's status as a non-belligerent ally of Germany rather than a true neutral, such as denial of Allied goods, services and facilities.[1]

This JPC memorandum was never formally approved, invalidated or needed to be changed as many parts of it were by the German assault on Scandinavia, but it nevertheless highlights an important strain of opinion in London at this time.

Opinions were also hardening in the MEW, as Rodd noted on 1 April. 'Quite apart from the representations made by the French..., there is a growing feeling in this Ministry, as well as probably elsewhere, that Italy, in common with other neutrals, should be subjected to more rigorous control'. Rodd himself was sympathetic to this view with regard to the need to prevent goods from reaching Germany, but he was less sure about tightening the blockade to restrict Italy's ability to accumulate stocks, as there was no precedent in international law for preventing the strengthening of neutral states. Overall, though, he favoured tightening economic control, but suggested that the introduction of measures to effect this should coincide with 'a combination of economic and financial advantages' for the Italians in regard to trade, so as to make the pill easier to swallow. If such sweeteners proved unacceptable to the Treasury, however, Rodd felt that a tough policy should be adopted regardless.[2]

Although Rodd was thus now prepared, if necessary, to risk enraging Rome in the interests of more effective economic warfare, others, even in the MEW, were not. Suspecting that

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[1]PRO CAB 84/11, Paper 88, 8 April 1940, Section XI, p.3.

[2]PRO FO 837/498, 'Italian Policy' by Rodd, 1 April 1940.

the blockade might soon be tightened, the Italian press was making it plain that too severe a move in this direction would be 'likely to extend the area of the conflict'.[1] This must have been a factor in the line taken by Nicholls of the MEW in responding to Rodd's paper on 3 April. He noted that due to the overriding desire not to drive Italy into Germany's arms, 'The regrettable conclusion seems to be that we cannot with safety embark on any tightening up of control on a large scale in regard to Italy'. Nevertheless, he considered that it should be possible to tighten up to some extent by means of improving intelligence and taking firmer action against companies and organisations which broke the blockade.[2]

Cross met his French counterpart, Monnet, on 5-6 April to discuss the blockade. During these encounters, the exercise of contraband control in the Mediterranean was considered, the two men agreeing that every effort should be made to improve its efficiency, but the main reason for the meetings was to discuss the more general issue of the rationing of neutrals. Both ministers felt that it had become highly desirable to ration the imports of adjacent neutrals, that such rationing should be applied to selected commodities, and that it should, if possible, be arranged by agreement. Cross and Monnet also agreed, however, that no discrimination should be made between neutral states in regard to the introduction of rationing, and this meant that 'the crux of this problem was the treatment of Italy'. Cross explained that the question of general policy towards Rome was being urgently considered by the British Government, and argued that, until decision had been reached on this, it was undesirable to start the forcible rationing of smaller neutrals.[3]

Thus the key policy question in regard to the blockade was left to await the decision of the War Cabinet, but the trend of the past month suggested that this body might well give way

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[1]The Times, 1 April 1940, p.7, col.2.

[2]PRO FO 837/498, minute by Nicholls, 3 April 1940.

[3]PRO CAB 68/5, Paper 116, 11 April 1940, pp.1-3.

to the pressure from the French and from within the British Government to adopt the principle of rationing, in spite of the inevitable damage this would do to Anglo-Italian relations. Before the decision was made, however, a new and important factor was introduced into the equation in the form of the eruption of war in Scandinavia.

CHAPTER SIX - APRIL TO MAY 1940

Britain and Italian Foreign Policy

The invasion of Scandinavia and the first serious military clashes between the *Wehrmacht* and Allied armed forces unsurprisingly had a significant impact upon Italian policy, Ciano informing the French ambassador on 11 April, for example, that the German campaign was making an 'immense impression' on the Duce.[1] From the very start of the German assault, Mussolini ordered the Italian press and people to 'applaud without reservations Germany's action' in attacking Denmark and Norway,[2] and Charles (Loraine was in London for consultations) reported this bias as early as 10 April.[3] In fact, so vicious towards the Allies was the Italian press that Halifax instructed Charles to raise the matter in Rome forthwith, but Sir Noel was bluntly told by Ciano's right-hand man, Filippo Anfuso, that 'Italy was in sympathy with Germany'.[4]

More disturbing than the activity of the Italian press was a flurry of rumours of imminent Italian attacks throughout the Mediterranean and/or into the Balkans.[5] The British did not yet view Italian intervention as inevitable, though. For example, Charles telegraphed on 11 April that 'the impression gained in conversations with Italians in influential positions...confirm the view that this country...is dreading the possibility of being dragged in at the heels of Germany'.[6]

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[1]PRO FO 371/24939, R4548/58/22, telegram from Campbell, 11 April 1940.

[2]Ciano, Diary, 9 April 1940, p.234.

[3]PRO FO 434/7, Part XXII, No. 3, telegram from Charles, 10 April 1940.

[4]PRO FO 434/7, Part XXII, Nos. 6 & 7, telegrams to & from Charles, 12 & 13 April 1940.

[5]For example, see PRO CAB 65/6, 88th Meeting, 11 April 1940, 8th minute & 89th Meeting, 12 April 1940, 6th minute.

[6]PRO FO 371/24939, R4591/58/22, telegram from Charles, 11 April 1940.

Moreover, annual reports on the situation in Italy despatched by the British embassy in Rome on the same day generally indicated that Italy was still in no position to fight a major war. The bulk of the Italian people remained opposed to entering the struggle, and this led Charles to surmise that, if Mussolini did drag Italy into the war at this point, 'the spirit of revolt would be likely to have a devastating effect on her power of continued resistance'. Sir Noel sombrely added, however, that the development of present events in Scandinavia might quell opposition to entering the war, and the annual report on the political situation in Italy noted that repression and propaganda were valuable tools with which Mussolini could win over, or at least impose his will upon, the Italian people. This was worrying, but more encouraging were Italy's continued economic and military deficiencies. 'Apart from a certain accumulation of petroleum supplies, Italy is not to any serious extent better equipped for war economically than she was six months ago, and the position of the gold reserve is very much worse'. Of the armed services, only the Navy was ready for war, though its officers were inexperienced. The Army was so poorly equipped that it was judged 'at the present moment not in a fit state to take part in a European war', and it was opposed to intervention anyway. As for the Air Force, its planes were in need of modernisation, only around a third of its pilots were believed to be of RAF standard, and Italy's AA organisation was poor.[1]

Overall, therefore, logic still seemed to dictate that Italy would not yet intervene, so the prevalent view in London in the week following the German invasion of Scandinavia was that the upsurge in Italian bile against the Allies did not signal imminent intervention, but was in lieu of such action, its aim being to confuse the British and French and thus hinder their effort in the north.[2] As Halifax put it, a vicious press campaign 'is the easiest way for them to show Germany

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[1]PRO FO 434/7, Part XXII, No. 8, Charles to Halifax & enclosures, 11 April 1940.

[2]See, for example, BUL NC 18/1/1150, Neville to Ida Chamberlain, 13 April 1940, ff.2-3.

sympathy. Rather like the old lady who always bowed when the Devil's name was mentioned in Church: "Politeness costs nothing, and you never know"'.[1] Unfortunately, the Foreign Secretary seems to have missed the key point: Mussolini was not just paying lip-service to the Devil, he was in league with him.

By mid April, however, with little sign of the tension easing, the British Government was becoming more concerned about possible Italian intervention.[2] In a memo dated 16 April, the JIC did not rule out an attempt by Mussolini to drag Italy into the war or to gain a cheap success in the wake of a possible German attack in the West, even despite Italy's lack of military preparedness,[3] and Charles reported two days later that press attacks were getting yet worse;

> The weight of the Italian propaganda machine is devoted to securing the greatest possible publication of all anti-British and anti-Allied material. It is equally devoted to presenting Berlin news, Berlin versions and Berlin lies under huge head-lines... In short, the Italian press has become completely Goebbelised.[4]

Even more disquieting, as the Director of Military Intelligence put it, with typical British understatement, 'The maintenance of Italian armed forces in a high state of preparedness for immediate action...gives grounds for considerable suspicion as to [Italy's] attitude in the early future'.[5] The French had become very pessimistic about Italy,[6] and Halifax's faith was clearly wavering by 17 April, when he noted in his diary that 'The guess work about Italy continues and no one is bold enough to bet with any confidence'.[7]

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[1]BIY Hick. A7.8.3, diary entry for 13 April 1940, p.76.

[2]PRO CAB 65/6, 94th Meeting, 16 April 1940, 5th minute.

[3]PRO CAB 82/5, Paper 54 JIC, 16 April 1940.

[4]PRO FO 434/7, Part XXII, No. 11, Charles to Halifax, 18 April 1940.

[5]PRO CAB 81/135, Paper 21 (S), 18 April 1940, p.2.

[6]Cadogan, Diaries, 18 April 1940, pp.271-2.

[7]BIY Hick. A7.8.3, diary entry for 17 April 1940, p.82.

Perhaps most worrying of all, at least for those few individuals, including Chamberlain, Halifax and Butler, privy to the existence of the secret channel to the Duce, was information Dingli brought back with him from Rome in mid April. At the first meeting between Chamberlain's secret envoy and Ciano, the Italian Foreign Minister had not only stressed that Mussolini considered himself totally bound by his alliance with Germany, but, presumably in the hope of encouraging London to seek a negotiated peace before the Nazis attacked in the West and Italy got dragged in, had even gone so far as to reveal that the Duce had promised Hitler that, if the conflict between Germany and the Allies were to enter a more active phase, Italy would intervene militarily at some point on the side of the Reich. Mussolini, perhaps fearing that the Allies would respond to this information by adopting a tougher line towards Rome which would force him to act before he was ready, had tried to soften the impact of his Foreign Minister's words by instructing him to inform Dingli at their second meeting that any decision to intervene would be judged on Italian interests alone and that the Duce saw no reason why relations between his country and Britain should not be correct so long as Italy remained non-belligerent, but Dingli's news nevertheless remained most alarming.[1]

The British thus had more reason in mid April than at any time hitherto to expect that Italian intervention might be imminent. There remained one very important reassuring fact, however, which Halifax and Cross brought attention to in a joint report on relations with Italy. Italian military unpreparedness and the weakness of Italy's strategic position *vis-à-vis* the Allies should logically mean that Italian entry into the war would be delayed until the western European

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[1]Quartararo, 'Il "Canale Segreto"', pp.710, 706-8.

powers seemed to be on the verge of collapse.[2] That, at least, was clearly not yet.

The possibility that Italy might intervene regardless of its weak strategic position could certainly not be ruled out, however, and concern about the Italians had a highly significant impact upon the Scandinavian campaign. It figured prominently, for example, in the Admiralty's reluctance to commit the Royal Navy fully to the attack on Trondheim in mid to late April, a key moment in the failure of the Norwegian campaign, for fear that heavy losses would imperil Britain's ability to defend its interests in the Mediterranean.[2] In similar vein, concern as to Italy's intentions in the near future, Churchill informed Lord Camrose in early May, influenced the War Cabinet in deciding at the end of April to withdraw from central and southern Norway, thereby freeing up resources, especially ships, for the Eastern Mediterranean.[3] Apprehension about Italy thus clearly acted as an impediment to Allied commitment to, and perhaps even success in, the struggle in Scandinavia.

On 24 April, Halifax informed the War Cabinet that the trend of British and French telegrams from Rome over the past few days had been more encouraging in regard to future Italian policy.[4] In one of these telegrams, Charles returned to the idea that Italian policy in recent weeks had been intended

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[1]PRO CAB 67/6, Paper 109, 18 April 1940, p.3. Halifax had commented in his diary the night before that, 'To every judgment of common sense it seems insane for Musso to risk everything on coming in until he is quite sure of the result' (BIY Hick. A7.8.3, diary entry for 17 April 1940, p.82).

[2]Feiling, K., The Life of Neville Chamberlain (London, 1946), p.438.

[3]Churchill, War Papers - Vol. 1, extract from Lord Camrose's diary, 3 May 1940, p.1191.

[4]PRO CAB 65/6, 102nd Meeting, 24 April 1940, 8th minute. One French source reported Mussolini saying in mid April, 'The Germans are trying to drag me into the war by the hair: luckily I am bald' (as cited in Woodward, 1, p.151, n.1).

merely to divert Allied forces away from the active theatre of operations against Germany, and he even went so far as to opine that each time the Germans launched a fresh attack, Italian policy would be the same. Nichols, however, with whom Sargent was in agreement, considered this view far too optimistic, and had become convinced that Mussolini had genuinely wanted to enter the war but had been dissuaded by Italy's internal problems. If the Germans attacked in the West and were initially successful, moreover, Nichols fully expected the Duce to reassess the prospects of Italian intervention.[1]

There can be little doubt that the thinking of Nichols and Sargent was more accurate than that of Charles, for it seems that the Duce had been on the verge of ordering military action in mid April, most probably against Yugoslavia initially. He had commanded the Italian Fleet to mobilise fully and increased the pace of the preparations of the other Services on 12 April. Then, on 14 April, Giovanni Ansaldo, editor of the newspaper, *Il Telegrafo*, had delivered a radio address to the armed forces which was 'the first public and authoritative statement' that Italy's entry into the war in the near future was inevitable. The speech, which must have been authorised by Mussolini, was not reported in the press and the state broadcasting network and Ministry of Popular Culture subsequently proved reticent when asked for a transcript. This was presumably because the Duce had in the meantime stepped back from the brink under pressure from the Italian military chiefs, who only advised military action if the Allies were on the verge of defeat.[2] Mussolini clearly, though one suspects unwillingly, took their advice to heart, for, although Ciano found him on 20 April 'more warlike and more pro-German than ever', he was now not contemplating intervening before the end of August to allow time for further preparations. Just two days later, Mussolini put back the

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[1]PRO FO 371/24941, R5243/58/22, telegram from Charles & minutes by Nichols & Sargent, 23 & 24 April 1940.

[2]Knox, Mussolini Unleashed, pp.92-3, 95.

date for intervention to spring 1941, and, on 25 April, Ciano noted in his diary that 'he will enter...only when he has a quasi-mathematical certainty of winning'.[1]

Thus the prospect of Italy imminently entering the war was far from certain in late April, but it is important to note that at least some of the factors restricting Italian intervention were beginning to loosen as a result of German success in the north. The boldness of the Nazi assault on Scandinavia impressed the Italian people and softened their anti-German bias, and the King, though still opposed to war, could, at least in Ciano's opinion, 'do no more to guard against it'. Indeed, by the end of the month, Mussolini had decided that he could afford to ignore Victor Emmanuel's objections altogether in the belief that the Italian people would follow him, and, in any case, by the end of the first week of May, the King's opposition to war had apparently weakened.[2]

On 27 April, the British mood took a turn for the worse yet again, when Halifax reported that Osborne had telegraphed the previous day that he had received information that Mussolini had imposed upon his subordinates the decision to enter the war on or about 1-2 May. The idea that Italian military action was imminent was supported by Churchill, who reported that the Italian naval attaché in London had said that he hoped the British Government would not regard an attack by Italy on Yugoslavia as a *casus belli*.[3] The War Cabinet took these warnings very seriously, and even a more accurate telegraph from Osborne reporting that Mussolini's military advisers had persuaded the Duce to postpone Italy's intervention until events developed further still did little

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[1]Ciano, Diary, 20, 22 & 25 April 1940, pp.236-7, 239.

[2]Ciano, Diary, 10, 22, 29 April & 6 May 1940, pp.234-5, 237, 241, 244.

[3]PRO CAB 65/6, 105th Meeting, 27 April 1940, 5th & 6th minutes.

to ease the fear that war was about to erupt in the Balkans and/or Mediterranean.[1]

The perseverance of this heightened anxiety in London as to Italy's intentions in the near future was no doubt largely due to the fact that it was clear by this time that the Allies had had the worse of the fighting in the north, but it must also have been conditioned by the belligerent nature of comments being made by senior Italian figures at this time. Mussolini himself talked of the need to 'prepare to face events of which we shall not be able always to remain only spectators', and the favourite theme of orators and writers at this time was that of Italy's imprisonment in the Mediterranean and its resolve to break free.[2] Bastianini complained to Halifax along these lines on 26 April,[3] and even the Anglophile Count Grandi stated in a speech that Italy could no longer stay out of the war and that the Italian people must give blind obedience to the Duce.[4] Just as disturbing as the oratory emanating from Italy in late April was the sudden removal of Bernardo Attolico from the Berlin embassy and his replacement as ambassador by the notoriously pro-German Dino Alfieri.[5] Indeed, fear that Italy was about to come into the war was such that the War Cabinet decided on 28 April that current diversions of shipping from the Mediterranean, first introduced on 19 April and added to on the 27th, had to

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[1]PRO CAB 65/6, 106th Meeting, 28 April 1940, 1st minute.

[2]PRO FO 434/7, Part XXII, Nos. 16 & 17, Charles to Halifax, 30 April & 3 May 1940.

[3]DDI, 9th Series, Vol. IV, No. 217, Bastianini to Ciano, 26 April 1940, p.181.

[4]PRO CAB 65/6, 106th Meeting, 28 April 1940, 1st Meeting.

[5]Wiskemann, E., The Rome-Berlin Axis: A history of the relations between Hitler and Mussolini (London, 1949), p.206.

continue, even though doing so would cause a month's delay in Britain's import programme.[1]

With the failure of new initiatives by both the British and French governments towards Italy (see below) and the commencement of the Allied withdrawal from most of Norway in early May, it came as something of a surprise that Italy did not take any action at the start of that month, and the very fact that it did not seems to have contributed to the adoption once again of a rather more optimistic line by the British. Butler, for example, in replying to a letter enquiring about the situation in Italy, commented on 2 May that 'I am myself hopeful',[2] and Charles reported a day later that he believed that 'Italy will try to avoid becoming involved for as long as possible'.[3] Indeed, Italy's failure to take military action gave the War Cabinet renewed confidence, for it decided on 2 May that Chamberlain should make a particular point in a speech he was due to give to the Commons that afternoon of mentioning naval reinforcements in the Mediterranean,[4] an announcement which Churchill opined 'will give the gentlemen [in Rome] something to think about'.[5] This sudden burst of optimism was augmented on 5 May with news from a reliable neutral source that the German military command had little expectation of Italy entering the war,[6] and the feeling was such by the end of the first week of the month that a partial relaxation of the diversion of shipping in the Mediterranean imposed during the past few weeks was authorised.[7]

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[1]PRO CAB 65/6, 106th Meeting, 28 April 1940, 2nd minute & CAB 67/6, Papers 110 & 114, 22 & 27 April 1940.

[2]TCLC RAB E3/8, Horner to Butler & reply, 30 April & 2 May 1940, ff.162-3.

[3]PRO FO 434/7, Part XXII, No. 17, Charles to Halifax, 3 May 1940.

[4]PRO CAB 65/7, 110th Meeting, 2 May 1940, 4th minute.

[5]Churchill, War Papers - Vol. 1, extract from memoirs of W.P. Crozier, p.1179.

[6]PRO CAB 66/7, Paper 146, 5 May 1940.

[7]PRO CAB 65/7, 114th Meeting, 7 May 1940, 7th minute.

This new found hopefulness received a rude shock on 8 May, however. Loraine had returned to Rome after a period of illness, and, in his first meeting with Ciano, the Italian Foreign Minister informed him,

> and he repeated it more than once, that Signor Mussolini stood by his pact with Germany, that he would fulfil his obligations to Germany 100%, that he had taken complete and sole control of Italian policy, and would take his decisions at his own time and in his own way.

Ciano added that, for the moment, Italy remained non-belligerent, but he was not prepared to say how long this might last. Moreover, 'there was no means of lessening the uncertainty about Italy's eventual attitude, or of having some kind of rapprochement'. The best advice Ciano could give Sir Percy was to 'leave us alone'.[1]

The Foreign Minister's statements to Loraine had been dictated by Mussolini, who was more sure than ever of a German victory in the wake of the Allies' decision to withdraw from the bulk of Norway in early May.[2] The Duce's innate desire for war had been fuelled throughout April by Hitler, who repeatedly sent him letters detailing German military successes in Norway. Ciano noted in his diary on 28 April that 'Hitler is a good psychologist and he knows that these messages go straight to Mussolini's heart'.[3] Indeed, any desire the Duce had for a negotiated settlement of the war or to avert the impending German assault on the West appears to have vanished in the light of Hitler's stunning Scandinavian victories.[4] Thus, on the eve of the Nazi invasion of the Low Countries and France, Mussolini was more psychologically primed to order Italian intervention than ever before. The key now was whether the *Wehrmacht* would be successful enough to create a military situation in which such intervention no longer seemed an enormous gamble.

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[1]PRO FO 1011/69, 'Report on Mission to Italy' by Loraine, 12 August 1940, para.124.

[2]Ciano, Diary, 8 & 3 May 1940, pp.245, 243.

[3]Ciano, Diary, 28 April 1940, pp.240-1.

[4]Kirkpatrick, Mussolini, p.435.

The Balkan Question

In the wake of the German drive into Scandinavia, the Balkan question, as it had been perceived by the Allies since the start of the war, radically changed. Hitherto, the concern had been that a war in South-East Europe triggered by the Germans or the Allies would result in Italy getting dragged in, but now, there emerged a real danger that the Italians would take the initiative in deciding the future of the region by invading either Yugoslavia or Greece.

Mussolini had, in fact, been toying with the idea of exploiting the conflict between Germany and the Allies to attack Yugoslavia or Greece since August 1939.[1] The Duce had ordered his military planners that month to examine the possibility of offensive action against these countries, only to have them report back advising against such a move due to the inability of the Italian armed forces to assault the Balkans and defend Italian interests against the Allies at the same time.[2] Nevertheless, by late January, a sketchy plan to take over Croatia in the wake of a nationalist uprising had been formulated, though the Duce still dared not act at that time.[3] Once the Germans had invaded Scandinavia, however, Mussolini's first thought seems to have been to take advantage of Allied preoccupation with events in the north by moving against Yugoslavia.[4]

The War Cabinet discussed the issue of how to respond to an Italian act of aggression in the Balkans for the first time on 14 April. Allied policy in the event of an attack upon Greece had effectively been prescribed by the guarantees given to Athens in April 1939, and the fact that it received little

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[1]Indeed, even the anti-interventionist Ciano looked forward to annexing Croatia and the Dalmatian coast, provided that such action did not embroil Italy with the western democracies (Ciano, Diary, 12 October 1939 & 22 January 1940, pp.166, 201).

[2]Schreiber, Stegemann & Vogel, pp.53-4.

[3]Ciano, Diary, 21 January 1940, p.201.

[4]Ciano, Diary, 9 April 1940, p.234.

formal consideration over the next two months strongly suggests that London and Paris would have stood by their pledges and declared war on Italy had it invaded Greek territory.[1] However, an attack upon Yugoslavia was considered more likely, and it was the question of how to respond to this eventuality that was the focus of Allied discussion over the following weeks.

Such an assault would be a clear case of aggression akin to Hitler's invasion of Poland, so, although no guarantee had been given to Yugoslavia, there would inevitably be a general expectation that the Allies would respond forcefully nonetheless, probably by declaring war. A failure to do so would therefore run the risk, though not so great as ignoring an Italian attack upon Greece, of Allied influence in the Balkans collapsing. This would be a strategic disaster, as it might encourage the states of South-East Europe, most disturbingly Turkey, to align themselves in some way with the Nazis for their own security, thus potentially giving Germany control of the Straits and exposing the Allied position in the Middle East to attack from the north.

Nevertheless, at the War Cabinet meeting on 14 April, Churchill, of all people, suggested that if Italy invaded Yugoslavia in present circumstances, 'we should take no immediate counter-action', though he added that 'we should reserve our liberty to take such action as we might think proper at a later date'. The main reason for delaying a possible forceful response was that the Royal Navy was at present, thanks to commitments in the North Sea, incapable of operating at sufficient strength in the Mediterranean. Halifax was prepared to accept this for the moment, though he had serious concerns that if Britain remained inactive in the

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[1]Indeed, even at the end of May, with the situation in north-west Europe truly critical, the FO reconfirmed to the British ambassador in Ankara that if Italy were to invade Greece, the Allies would be bound to come to the Greeks' assistance in accord with the guarantee given in 1939 (PRO WO 106/5706b, 36A, telegram to Knatchbull-Hugessen, 28 May 1940).

face of Italian aggression, 'a deep and unfavourable effect would be created in the Balkans'.[1]

On 16 April, the French War Committee met and decided that an Italian attack upon Yugoslavia would call for an immediate reaction on the part of the Allies. This forced the War Cabinet to return to the Balkan question the next day, when Halifax, though concerned that Britain should endeavour to avoid war with Italy if possible, urged that, in the event of the Italians invading Yugoslavia, the British should 'mark our displeasure in some manner which should not be futile or reminiscent of sanctions'.[2]

The British position hardened further still on 18 April in the light of the views of Sir Michael Palairet, the British ambassador in Athens. He was convinced that Allied influence in the Balkans would collapse if nothing was done in response to Italian aggression in the region and that, given the present poor state of Italo-Allied relations, a policy of not reacting would only serve to postpone war with Italy for a short time anyway. Sir Samuel Hoare, the Secretary of State for Air, supported these views and argued that a firm British response might exacerbate internal opposition to Mussolini. Urged thus to contemplate drastic action, the War Cabinet instructed the COS to consider the implications of becoming involved in a war with Italy at the present time.[3]

The resulting COS paper listed the three possible courses of action open to Italy as direct intervention on the side of Germany, aggression against a neutral country, and continued non-belligerence, though the first and third of these options were given only cursory consideration in the paper, for obvious reasons. The COS began by making the fundamental point that, if Rome took military action, Britain should

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[1]PRO CAB 65/6, 92nd Meeting, 14 April 1940, 10th minute.

[2]PRO CAB 65/6, 95th Meeting, 17 April 1940, 7th minute.

[3]PRO CAB 65/6, 96th Meeting, 18 April 1940, 8th minute.

drastically reduce its commitment in the north in order to free naval forces for the Mediterranean. They then went on to evaluate the advantages and disadvantages of war with Italy at the present juncture. The benefits were the tightening of the blockade, the probable entry of Turkey into the war (depending on the attitude of the Soviet Union), and the fact that Italy might become a liability to Germany due to the unpreparedness of its forces and the vulnerability of its industrial heartland and maritime communications. The drawbacks were the further dispersion of Allied strength, the interruption of the route through the Mediterranean, and the prevention of forces deployed in the Mediterranean and Middle East from giving effective assistance if needed to those countries with whom Britain had contractual obligations. On balance, the COS decided that

> there is no doubt that the intervention of Italy on the side of Germany at the present juncture would, at any rate on a short-term view, add greatly to our difficulties. It is to our interest, therefore, to keep Italy out of war, and all the resources of diplomacy and propaganda should be exerted to this end.

Thus far into the report, it seemed as if the COS were likely to advocate a policy of effectively ignoring any Italian aggression against Yugoslavia. Instead, however, they advocated that the Allies should respond to any such attack by declaring war, as they agreed wholeheartedly with the views of the Foreign Office as formulated by this time. The FO felt that, if the Allies declared war, the Yugoslavs would be far more inclined to resist aggression forcefully themselves and that Greece and Turkey would be more likely to commit themselves to Yugoslavia's defence. Although Allied intervention would probably provoke German intervention, which might well lead to Belgrade's capitulation, this was deemed preferable to doing nothing in response to Italian aggression as, 'If Mussolini is allowed to achieve a quick and spectacular success there is every prospect that the whole of our political influence in South East Europe will collapse'. Moreover, it was believed that an Italian attack upon Yugoslavia would be the first step to a confrontation with the Allies which, if delayed by Anglo-French inaction, would

commence in even worse circumstances than at present due to the destruction of Allied influence in the Balkans. On the other hand, 'a prompt reaction on the part of the Allies might usefully encourage the anti-war elements in Italy...to oppose the Government before Mussolini had been able to consolidate opinion behind him'.[1]

Given the opposition hitherto put up by the FO and the COS to the adoption of a strong policy in the Balkans, it is perhaps surprising to find them supporting one now. Several factors explain it, however. Firstly, this was a new scenario being considered. Italy was now envisaged as the aggressor, and this in itself undermined one of the main previous objections to a strong policy, as the preservation of Italian neutrality would become a far less realistic goal upon which to base Balkan policy if Rome itself started a conflict in South-East Europe, especially as it was believed that such action would indicate that an Italian declaration of war on the Allies was inevitable anyway. Secondly, with Germany as the potential aggressor in the Balkans, the only positive form of action open to the Allies in response to an attack was to deploy forces in the region. With Italy as the aggressor, however, the Allies had the option of restricting their action to declaring war. Indeed, the COS explicitly stated in the paper that 'there is nothing we can do to afford direct assistance to Yugoslavia or Greece until the Italian threat to our communications has been eliminated'. They envisaged helping these countries in the early stages of a war with Italy indirectly, by forcing the Italians to divert forces from the Balkans to the French frontier and the colonies to combat the Allies.[2] Finally, there is the matter of psychology. Germany was viewed, even before the fall of France, as a formidable enemy. Italy, on the other hand, had no such reputation, and this meant that an Allied failure to respond forcefully to an Italian attack in the Balkans would be far more difficult to justify to the states of the region than failure to oppose a

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[1]PRO CAB 66/7, Paper 134, 21 April 1940.

[2]PRO CAB 66/7, Paper 134, 21 April 1940, p.5.

German assault, and would therefore be much more likely to lead to the collapse of Allied influence in the area than would, say, allowing Germany to swallow Romania.

By mid April, support was thus being given by the COS and FO, as well as by the French High Command,[1] to a forceful response to an Italian attack upon Yugoslavia, but the Allied governments had yet to adopt such a policy formally. The issue was therefore discussed at the eighth meeting of the Supreme War Council on 23 April, when the French Prime Minister, Paul Reynaud, pushed for a commitment to the landing of Allied forces at Salonika, where they could establish a base for the assistance of Yugoslavia and any other Balkan state that was attacked. In reply, Chamberlain, who clearly still viewed the avoidance of conflict with Italy as the prime objective, bent the truth, to put it charitably, by stating that the British Government, having examined the situation, did not consider declaring war on Italy a wise response to an invasion of Yugoslavia in view of commitments elsewhere. The British Prime Minister was clearly swimming against the tide of opinion at the meeting, however, for, although the SWC failed to reach definitive agreement as to whether the Allies would declare war in response to an Italian attack upon Yugoslavia, it resolved to address a joint enquiry to Athens to ascertain the attitude it would adopt in the event of such an attack and whether it would consent to the landing of an Allied force at Salonika in response. In the light of the reply, the Allies would determine whether the Salonika operation was feasible and/or desirable.[2]

The threat of an Italian invasion of Yugoslavia had thus apparently got Britain nearer to agreeing to the French plan for a landing in northern Greece than any danger of a German drive to the Straits. It did not take long, however, for the British military establishment to make it clear that its view

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[1]PRO CAB 85/7, Paper 53 PMR, 21 April 1940.

[2]PRO CAB 99/3, 8th Meeting - 2nd session, 23 April 1940, pp.5-7, 16.

of the Salonika operation had not in fact changed. Sir John Dill, the Vice CIGS, reported to the War Cabinet on 27 April a conclusion reached by the COS that Athens should not be approached until the full military implications of the despatch of forces to Salonika had been examined by a joint Allied military body. Experience in Scandinavia had strengthened their view that the establishment and maintenance of a force at Salonika with the resources at present available would be impracticable with Italy involved in the war. If the French could find the 200 AA guns and considerable numbers of fighters required, the project was feasible, but if they could not, as was a near certainty, the British should rule the scheme out. Faced with renewed opposition to the French plan, Chamberlain, one suspects with pleasure, agreed to bring up these points at a meeting of the SWC scheduled for that afternoon.

The discussion then moved on to the issue of policy in the event of an Italian attack upon Yugoslavia in a broader sense. Peirse, the Vice CAS, stated that he would only favour a declaration of war if Britain were prepared to deliver a determined aerial attack upon Italy's industrial heartland in the north-west of the country, for which consent to use French aerodromes was essential. The importance of clarifying Turkey's attitude to an Italian attack was then raised, the War Cabinet agreeing that this was vital, as the key objective of Balkan policy was to keep the Turks on side. The issue of Britain's response to Italian aggression was thus thrown into some confusion at this meeting and the War Cabinet reacted by determining that every effort should be made to resolve the outstanding issues as soon as possible to allow a clear policy to be adopted. In the meantime, it was agreed that if Italy were to invade Yugoslavia within, say, the next 24 hours, Britain should not declare war immediately.[1]

The outstanding issues were duly raised by the Prime Minister at the tenth meeting of the SWC that afternoon. The French

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[1]PRO CAB 65/6, 105th Meeting, 27 April 1940, 7th minute.

agreed that efforts should be made to clarify the Turkish position, that the Allied air staffs should examine the question of bombing Italy in detail, and, more surprisingly, that the approach to Athens should be delayed.[1] The question of how the Allies should react to an Italian invasion of Yugoslavia thus remained unresolved at the very time when the British believed Mussolini might be on the verge of acting. This was a far from ideal situation, and Halifax attempted to improve it by producing a new paper on the subject on 29 April. This provided an extensive list of benefits and drawbacks to war with Italy at the present time, the most important of which had already been mentioned by the COS in their memo of 21 April. After weighing up the pros and cons, the Foreign Secretary also concluded that a strong response should be given to Italian aggression. Indeed, he felt that Britain should declare war on Italy even if the Yugoslavs did not resist or if they collapsed at the first onslaught. Furthermore, he ruled out any action short of a full declaration of war as unsatisfactory and impractical. For example, breaking off diplomatic relations and closing the eastern and western entrances to the Mediterranean to Italian commerce would render war practically inevitable anyway, would allow Mussolini to rally the Italian people in the face of the reimposition of sanctions, and would surrender the initiative to the enemy.[2]

The War Cabinet discussed Halifax's paper the next day. The discussion mirrored the memo itself, with a string of advantages and disadvantages being brought up in succession, but, rather than reaching a conclusion, the War Cabinet decided that the matter should be discussed further with the French, Turkish and Balkan governments and that the Allied staffs should prepare an up-to-date statement on the military action it would be possible to take in the event of war with

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[1]PRO CAB 99/3, 10th Meeting, 27 April 1940, p.13.

[2]PRO CAB 66/7, Paper 141, 29 April 1940.

Italy.[1] Evidence of a retreat from the strong position advocated by the COS on 21 April and repeated by Halifax eight days later was thus surfacing before the month was out, and it is interesting to note that Cadogan felt that the general sense in the War Cabinet on 30 April had been against declaring war.[2] Churchill, generally the most hawkish member of the War Cabinet, certainly opposed it, as he hoped that an Italo-Yugoslav war might cement Italian neutrality in the Allied struggle with Germany, opining that 'If the Yugos fight [Italy] seriously she will come crawling to us not to intervene against her - she will then only want us to leave her alone'.[3]

The indecision of the War Cabinet at the end of April as to how to respond to an Italian attack on Yugoslavia presumably reflected a dip in confidence consequent upon Allied defeat in central and southern Norway by this time. When Italy did not enter the war at the start of May as the British had expected, however, the War Cabinet's confidence was somewhat restored, and it became bold enough to decide that it should be made clear semi-officially that an Italian act of aggression in the Balkans would lead to war.[4] This boldness was short-lived, though, and any thought of declaring war on Italy if it should attack Yugoslavia was effectively killed by the launch and early success of the German assault in the West. It was not long before the situation became critical, and, in such circumstances, to think of voluntarily adding to one's enemies seemed disingenuous. As early as 14 May, Halifax was expressing doubts as to the wisdom of declaring war on Italy if it attacked Yugoslavia and was investigating the intermediate steps he had initially ruled out on 29 April.[5]

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[1]PRO CAB 65/6, 108th Meeting, 30 April 1940, 13th minute.

[2]Cadogan, Diaries, 30 April 1940, p.275.

[3]Churchill, War Papers - Vol. 1, extract from memoirs of W.P. Crozier, p.1180.

[4]PRO CAB 65/7, 110th Meeting, 2 May 1940, 4th minute.

[5]PRO CAB 65/7, 122nd Meeting, 14 May 1940, 3rd minute.

The Foreign Secretary subsequently produced a second memo on the subject of policy in response to Italian aggression. Now he advocated merely issuing a joint Allied statement denouncing the attack, a course of action he was not happy with, but which he considered unavoidable in present circumstances.[1] The War Cabinet approved this policy on 17 May and invited Halifax to attempt to secure the agreement of the French and Turkish governments to it,[2] but, by the time Paris replied to Halifax's approach four days later, the situation on the Western Front was already so bad that the French Government, desperate to avoid Italy entering the war, considered even the mild rebuke suggested by Halifax inopportune.[3] As for the Turks, their Foreign Minister's public declaration in the wake of Belgium's capitulation on 28 May that the alliance with Britain and France had been a mistake showed that little support for British policy could be expected from Ankara.[4]

Thus, by the middle of May, the question of how London should react to possible Italian aggression against Yugoslavia had at last effectively been resolved. By now, however, this had become almost irrelevant. The situation in France was so bad that it appeared that Mussolini would no longer bother attacking in the Balkans at all, but would go directly for the Allies themselves.[5]

Reconsidering Tactics for Averting Italian Intervention

It will be remembered that the War Cabinet had re-opened the question of general policy towards Italy on 4 April in the light of concern as to Italian intentions in the wake of the Brenner meeting. Almost all aspects of policy towards Italy

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[1]PRO CAB 66/7, Paper 157, 15? or 16? May 1940.

[2]PRO CAB 65/7, 126th Meeting, 17 May 1940, 8th minute.

[3]PRO CAB 65/7, 132nd Meeting, 21 May 1940, 5th minute.

[4]Weber, F.G., The Evasive Neutral: Germany, Britain and the quest for a Turkish alliance in the Second World War (Columbia, 1979), p.48.

[5]PRO CAB 65/7, 126th Meeting, 17 May 1940, 8th minute.

therefore underwent serious reconsideration in April and early May, and several new ideas were raised and tried out.

New Tactics

Impressed by the apparent success of German personal diplomacy in Rome and at the Brenner, the British decided in mid April to try to get the Pope to use his influence to aid their cause by personally appealing to Mussolini to keep Italy out of the war. The American representative to the Holy See, Myron Taylor, was enlisted as an intermediary in this, and suggested on his own initiative that Roosevelt might be approached with a view to emulating His Holiness.[1] Although both the Pope and the President proved willing to comply with the British request, neither approach achieved anything. Ciano described Mussolini's reply to the Pope as 'sceptical, cold, and sarcastic' and that to Roosevelt as 'cutting and hostile'.[2]

Another new way in which London tried to influence the Italians against intervention in April was to try to remove any ideological tension between Italy and the western European democracies by stressing that the Allies were not opposed to fascist, totalitarian regimes *per se*, but only to those which threatened European stability. Halifax stated this publicly in a speech on 10 April, and Butler reconfirmed it in private conversation with Bastianini two days later.[3] There is, unsurprisingly, no evidence that this had any impact upon Italian policymaking.

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[1]PRO CAB 65/6, 99th Meeting, 21 April 1940, 7th minute.

[2]Ciano, Diary, 28 April & 1 May 1940, pp.241-2. For the text of the Pope's letter to Mussolini, see DDI, 9th Series, Vol. IV, No. 189, the Pope to Mussolini, 24 April 1940, pp.157-8. Roosevelt's approach took the form of a demarche by the American ambassador rather than a letter and, despite its failure, Halifax considered it 'very useful' (BIY Hick. A7.8.4, diary entry for 2 May 1940, p.102).

[3]PRO FO 371/24950, R4882/60/22, minute by Butler, 12 April 1940.

Military Policy

With concern about Italian intentions heightening in the aftermath of the German invasion of Scandinavia, the COS formally submitted a memorandum on 16 April for consideration by the War Cabinet on military measures to deter Italy from entering the war. Unfortunately, few reinforcements were available for the Mediterranean and Middle East without a change in current priorities of some kind, so the measures put forward were largely based on the shuffling of forces already deployed in the region or on bluff. Navally, the reconstitution of strong forces in the Eastern Mediterranean and Red Sea was most desirable, but the units required for this were at present unavailable due to recently increased commitments in the North Sea. In Europe, the French might be asked 'to create the impression that active operations on the Franco-Italian frontier are under consideration', and Italian sensitivity about the vulnerability of their north-western industrial heartland could be played upon by activity at aerodromes in the south of France. In North Africa, the French had withdrawn the bulk of their forces from Tunisia and air reinforcements for Egypt were restricted to two Indian bomber squadrons from Singapore, a Rhodesian squadron in Kenya, and/or an Australian army co-operation squadron from the Antipodes, so little could be made of a threat to Libya unless the remaining French forces took up advanced positions at the same time as the British concentrated troops in the Western Desert. To threaten Italy's position in East Africa, one or both of the infantry brigades held in reserve in Palestine could be moved to Sudan and British Somaliland could be reinforced by a battalion from Kenya. The French might also be persuaded to send a brigade of Madagascan troops to Djibouti. Finally, the Turks might be asked to concentrate troops in south-western Anatolia to give the impression that an assault was being planned on the Dodecanese. Overall, the COS advised that, 'Our aim would best be achieved by the cumulative effect of a number of unobtrusive measures to improve our strength in the Mediterranean, rather than by any more striking gesture', and that any action taken should

follow a carefully coordinated plan in collaboration with France and Turkey.[1]

This paper was not fully considered by the War Cabinet for a fortnight, principally to give the Foreign Office time to examine its implications, but action nevertheless began almost at once to give effect to one of the measures suggested, and too swiftly dismissed, by the COS; the reinforcement of Allied naval forces in the Eastern Mediterranean.[2] The First Sea Lord had in fact begun to make administrative preparations for the return of a battlefleet to Alexandria in the wake of the Brenner meeting,[3] and the British and French admiralties had decided in early April that, in the event of hostilities breaking out or becoming imminent with Italy, there should be a major reconcentration of Allied naval power in both halves of the inland sea.[4] With the eruption of war in the north, however, it became clear that the Royal Navy could only reinforce the Mediterranean to the detriment of operations against the Germans, so Pound put the problem before the War Cabinet on 20 April. The French had agreed to help the British by sending three old battleships to the Eastern Mediterranean, but only if a French admiral should then take over command in the theatre. Cunningham, unsurprisingly, was opposed to relinquishing command and had pointed out that the handing over of control to a Frenchman would have serious political repercussions in Egypt and Turkey. Pound therefore proposed establishing a holding force at Alexandria, centred upon an old battleship, to be reinforced when possible by two further capital ships and some older cruisers. Whilst incapable of acting offensively, this holding force could cover the line of communications between Egypt and Turkey and support Allied land operations, so, although it would have limited value as a deterrent, it would be of some use

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[1]PRO CAB 66/7, Paper 130, 16 April 1940.

[2]PRO CAB 65/6, 96th Meeting, 18 April 1940, 2nd minute.

[3]BL Cunn. Add.MSS 52560, Pound to Cunningham, 30 March 1940, p.2.

[4]PRO CAB 80/105, Paper 282, 8 April 1940, Annex, p.1.

defensively should Italy come into the war. Pound's plan was therefore approved by the War Cabinet.[1]

At a meeting of the SWC on 23 April, Reynaud was pleased to hear of British plans to send capital ships back to the Eastern Mediterranean and urged that further reinforcements should be sent. Chamberlain, however, felt it wiser that the Allies 'should watch the situation and add to their present measures as might be considered necessary'. This more cautious view won out, for although the SWC acknowledged the desirability of building up as large a British battlefleet as possible in the Mediterranean to act as a deterrent to Italian aggression, it also decided that the Scandinavian campaign must receive priority for the moment.[2]

Meanwhile, certain figures in the Air Ministry had began to push forcefully for the idea of an aerial deterrent to Italian aggression. One such was Squadron Leader R.E. Vintras, one of the British PMRs, who strongly advocated the establishment of the explicit threat of air attack on Italy's industrial heartland in the north-west on the grounds that

> Mussolini is afraid of Hitler - the only effective counter is to make him afraid of us... It has been said that Italy does not react favourably to threats. I submit that this is only true when she is tolerably sure they will not be carried out... The best counter to Italians is swift and violent reaction, or the knowledge that it will result from any false move on their part.[3]

Of all the forms of military deterrence open to the Allies, the threat of aerial bombardment of Italy's industrial heartland was perhaps the most promising. Italian air defence was very weak in both fighters and AA guns,[4] and this left the

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[1]PRO CAB 65/6, 98th Meeting, 20 April 1940, 7th minute.

[2]PRO CAB 99/3, 8th Meeting - 2nd session, 23 April 1940, pp.6-7, 15-16.

[3]PRO CAB 21/1304, 18A, 'Measures to Deter Italy' by Vintras, 16 April 1940, pp.1-2.

[4]Overy, R.J., The Air War 1939-1945, (London, 1980), p.16.

regions of Lombardy and Piedmont, wherein a massive three-quarters of Italy's industrial capacity was concentrated,[1] exceptionally vulnerable to attacks from bombers operating from southern France. As we shall see, however, the Allies were to prove too tardy in establishing a credible threat for it to have much effect in determining Italian policy.

With pressure building for the adoption of an Allied aerial deterrent, efforts to strengthen the naval one proceeded better than expected. By early May, German naval losses in northern waters and the reduction of the commitment in the theatre consequent upon the decision to withdraw from the bulk of Norway had allowed the British to reinforce the Eastern Mediterranean with two battleships, with a further two expected at Alexandria very shortly, as well as enabling a small fleet to gather at Aden to counter the limited Italian naval presence in the Red Sea.[2] This was a dramatic improvement in Britain's military position in the region, but its deterrent impact was clearly limited by the Allies' ignominious defeat in Scandinavia, as the Italian press, which had mocked the Royal Navy in April for its failure to prevent the German landings in Norway, reported that it left Italy 'completely unconcerned and calm'.[3]

A revised copy of the COS paper on military measures to deter Italy from entering the war was finally produced on 28 April. The Foreign Office had examined the issue and made the following points:

> (a) there could be no objection to measures necessary in self-defence.
> (b) if Italy entered the war, Mussolini would be likely to seek an early spectacular success. Therefore, any increase in the strength of the defences of Malta and Gibraltar would be valuable.

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[1]Butler, Grand Strategy, p.296.

[2]PRO CAB 65/6, 107th Meeting, 29 April 1940, 5th minute, CAB 65/7, 112th Meeting, 4 May 1940, 2nd minute & Playfair, pp.83-4.

[3]The Times, 11 April 1940, p.7, col.3 & 6 May 1940, p.6, col.7.

(c) the Duce was prepared to accept some reverses in the colonies, but feared threats to Italy itself.
(d) Mussolini's decision to enter the war would depend upon the progress of the conflict. Any measures recommended by the COS would only be used as a pretext.

With views in the FO concerning policy towards Rome thus hardening, at least in regard to ensuring that Britain was as well prepared as possible to meet the seemingly increasingly likely Italian attack, the COS were now free formally to advocate a more active policy of military deterrence towards Italy. Efforts to re-establish a naval deterrent were already well in hand, so the paper concentrated on land and air forces. With the arrival expected in the near future of six battalions from West Africa and three from South Africa, no further army reinforcements were deemed necessary in East Africa, though the COS advised that a battalion be moved from Kenya to Somaliland, that Aden's garrison be similarly strengthened, and that ostentatious preparations be made for the despatch to the Sudan of one or both infantry brigades held in reserve in Palestine. The French should also be asked to reinforce Djibouti and three South African squadrons should be sent to Kenya as soon as modern aircraft became available. In North Africa, the French were to be asked to reconstitute the pre-war garrison of Tunisia and every effort was to be made to increase defences in the Western Desert. Two Indian bomber squadrons were to go from Singapore to Egypt, to be joined later by a Rhodesian squadron currently in Kenya, and an Australian army co-operation squadron was to proceed to Palestine as soon as aircraft were available. In the Mediterranean, the COS urged that Gibraltar's garrison be increased by a battalion to bring it up to the level it had been at in September 1939, but there was 'nothing practicable we can do to increase the power of resistance of Malta'. Further east, plans to ask the Turks to concentrate forces opposite the Dodecanese were dropped. Finally, and most importantly, plans and preparations, which 'should be unobtrusive though not sufficiently secret to escape the Italian intelligence', were to be concerted with the French to

enable bombers to operate against the industrial heartland of north-west Italy.[1]

The War Cabinet approved the COS paper on 29 April and, the next day, agreed to the despatch of orders for the manning of the defences at Alexandria, Haifa, Malta and Gibraltar, and for the movement of the Armoured Division into the Western Desert under the pretext of manoeuvres.[2] The impact of such steps to deter Italy from entering the war as were approved would have been greatly augmented by the arrival of the whole of the second wave, 20,000 strong, of Anzac troops earmarked for deployment in the Middle East (ostensibly to train), but the danger of Italian attack in late April led Churchill to doubt the wisdom of sending convoys carrying these men through the Red Sea.[3] Italy's failure to enter the war in early May meant that the War Cabinet agreed on the 9th that the first convoy, carrying around 7,000 troops, should be instructed to proceed to Suez, but Rome's reaction to the German assault in the West meant that the subsequent convoy was diverted round the Cape to Britain.[4]

Thus, the diversion of the bulk of the second wave of Anzac troops to Britain notwithstanding, Britain's military position in the Mediterranean and Middle East was being greatly improved by the time Germany invaded the Low Countries and France, and military considerations were at last outweighing the political factor of not provoking Rome in determining how forces in the region should be deployed. The need to take steps to counter the increasing threat of war with Italy had finally allowed a more vigorous policy of military deterrence to be adopted.

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[1]PRO CAB 66/7, Paper 138, 28 April 1940.

[2]PRO CAB 65/6, 107th Meeting, 29 April 1940, 6th minute & 108th Meeting, 30 April 1940, 11th minute.

[3]PRO CAB 65/6, 107th Meeting, 29 April 1940, 5th minute.

[4]PRO CAB 65/7, 116th Meeting, 9 May 1940, 6th minute & 123rd Meeting, 15 May 1940, 6th minute.

Economic Issues

Alongside the idea of military deterrence dealt with by the COS, the MEW raised the notion in April of taking economic measures to deter Italy from entering the war. The steps open to the British in this sphere were, (i) to tighten contraband control in the Mediterranean, and (ii) to place financial and administrative obstacles in the way of Italian trade. In the first case, increased delays to Italian shipping would impede the flow of trade to and from Italy, and this could be supplemented by a 'Black List' policy against Italian traders. More severely, Italian imports of essential commodities could be limited to the quantities necessary to meet domestic needs. In the second case, financial restrictions could be imposed, such as the denial of sterling and franc credit, the refusal of insurance in the London market, and the reduction of Allied purchases in Italy. Trade relations with Italy could even be severed entirely by refusing export licences and prohibiting imports, a move by which the British now seemingly stood to lose relatively little economically (though not, of course, politically), given that, as Waley of the Treasury pointed out in mid April, the Italians had hitherto 'refused to sell us all the things that we really want'. It was for the War Cabinet to decide which, if any, of these measures to adopt, but it was warned that any action which might reawaken the ghost of sanctions would probably have the opposite effect to that hoped for.[1]

As well as possibly deterring Italy from entering the war, a tightening of the blockade would, of course, increase pressure upon Germany. That this was desirable was highlighted by an MEW report of early April which concluded that the situation 'did not seem very promising for a rapid decision in favour of the Allies through economic pressure alone as at present exercised'.[2] This factor weighed particularly heavily with the French, who saw the German offensive in Scandinavia as the

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[1]PRO CAB 66/7, Paper 130, 16 April 1940, pp.5-6 & T 160/939, F13456/02/18, Waley to Nichols, 13 April 1940.

[2]As cited in Medlicott, p.58.

first step in an attempt to reach a decision in the war in 1940, and led their Ministry of Blockade to insist in mid April upon the necessity of applying forcible rationing to all neutral countries adjacent to Germany without delay, covering a wide range of goods, including oils, many metals, cotton, and rubber.[1]

There were thus good reasons to adopt a firmer line in Anglo-Italian economic relations by the time Halifax and Cross produced their joint memorandum on the subject, requested by the War Cabinet in early April, on the 18th. The paper was compiled after a series of meetings of an interdepartmental committee recently formed to discuss economic relations with Italy under the chairmanship of R.A. Butler, and it essentially reported the conclusions reached by that body. The key issue was the blockade. 'Our control of contraband and enemy exports, in practice as applied to Italy', the report noted, 'is becoming increasingly ineffective'. There was growing evidence of leakage of contraband to Germany, which looked set to get worse, as well as evidence of German exports passing through Italy, and increased imports were improving Italy's own war potential. Finally, taking in the broad picture, 'In the absence of a decision to tighten up our contraband control as regards Italy, we lack the moral ground for tightening it elsewhere'.

The strength of the argument for increasing economic pressure on Italy was clearly recognised, then, but there remained the political objection that it would antagonise Rome. There therefore appeared to be two options: (a) to make a renewed attempt to reach agreement with the Italians on economic issues, or (b) to abandon any idea of reaching agreement and instead tighten up the blockade in the Mediterranean to a level at least equal to that applied to minor neutrals. If option (a) were to be pursued, the aim should be to build up a body of opinion as favourable to the Allies as possible in Italy, so as to make Mussolini doubt his ability to drag his

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[1]PRO CAB 68/6, Paper 130, 24 April 1940, p.1.

people with him into war, though, at the same time, such efforts as were consistent with this prime objective should be made to keep Italian war potential as low as possible. The aim of option (b) was to restrict the development of Italian war potential and increase economic pressure on Germany, subject always to avoiding, if possible, any action which could successfully be represented by Rome as an economic sanction at a moment when this would be politically unwise. The key objective of each alternative was thus to make Italian entry into the war as difficult as possible, though the methods by which this would be achieved were very different. Option (a) carried with it little chance of provoking an immediate break with Italy at the expense of allowing Italian and German war potential to increase (though this would be offset by concurrently increasing Allied and Turkish war potential), whereas option (b) ran the risk of giving Mussolini the pretext and the means to drag a still largely unwilling population into the war in the hope that, if the Duce failed to exploit this opportunity, the prospect of Italy intervening in the future would be reduced due to its stagnating war potential.

After much debate, the Butler Committee had come down in favour of option (a). This was only an interim decision, however, for, as Cross noted in a letter to Butler, it was very difficult to formulate a long-term policy towards Italy while the repercussions of the war in Scandinavia on Italian policy had yet to become clear. The Minister of Economic Warfare had therefore agreed that policy in the short-term 'should clearly not be provocative and must not involve taking any action from which we might afterwards have to retreat'. This inevitably meant the adoption of option (a), because it could be shifted to option (b), if circumstances in the near future made this desirable, considerably more easily than the other way round.

In his letter to Butler, Cross stressed that he felt the blockade should not be tightened by the introduction of rationing only '<u>for the time being</u>', and the hardening

attitude in the MEW which this reflects was evident in certain considerations to which the Butler Committee's support of option (a) was made subject. These were:

> (i) that nothing should be conceded in negotiations with Rome that would unduly increase Italy's war potential.
> (ii) that every endeavour should be made to obtain a *quid pro quo* for any concessions made.
> (iii) that the Italians should be given no impression of British weakness.
> (iv) that the French should agree to the adoption of this approach.[1]

Given the trend of French opinion on blockade policy in recent weeks, there must have been serious doubts as to whether Paris' consent to the adoption of option (a) was attainable. However, this consent was effectively granted at the meeting of the SWC on 23 April. Reynaud raised the question of economic relations with the Italians by bringing up Italy's excessive importation of oil and asking Chamberlain whether he thought Rome should be approached about this. The British Prime Minister replied that he considered the present an inopportune moment for such an approach, and that it might even precipitate some form of hostile Italian action. Rather than trying to bring the British round to the way of thinking of the French Ministry of Blockade, Reynaud then let the matter drop, thereby effectively clearing the way for London to adopt whichever approach to economic relations with Italy it saw fit.[2]

The War Cabinet therefore approved the adoption of option (a) on 24 April without any real disagreement, the key point being made by Chamberlain that 'our present military resources, combined with our military obligations, did not permit the adoption of a strong diplomacy'. Cross accepted this, but stated that he hoped the blockade in the Mediterranean would be tightened as soon as the strategic situation allowed. As regarded the prospects for trade, the War Cabinet was, rather

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[1]PRO CAB 67/6, Paper 109, 18 April 1940 & FO 837/499, Cross to Butler, 15 April 1940.

[2]PRO CAB 99/3, 8th Meeting - 2nd session, 23 April 1940, p.8.

surprisingly, fairly optimistic, with the ordering of new merchant ships a priority and some hope being held out that Britain might even be able to procure armaments through a dummy Portuguese company the French had been using.[1] Significantly, however, any belief that a trade agreement would markedly improve Anglo-Italian relations and cement Italian neutrality had all but crumbled by this time. As Sargent noted on 23 April, 'by itself the economic bait of a trade agreement is going to be quite inadequate for the purpose of keeping Italy out of the war, if for political and military reasons she has decided that the time has come for her to intervene'.[2]

Specific guidelines for effecting option (a) had been laid down by the Butler Committee. As regarded the blockade, there was to be no approach made on the subject of a state guarantee, but the British were to be receptive to any Italian proposals aimed at resolving the dispute. Meanwhile, some efforts were to be made to tighten up control by, for example, treating concerns ill-disposed towards the Allies with severity when valid evidence justified it. As for Anglo-Italian trade, the Butler Committee had urged that, provided that the arrears in payment were not considerably increased, the present guarantee facilities for the purchase by Italy of up to four million tons of British coal per annum should be continued for the time being. This proposal was only made, however, to avoid damaging relations with Rome by withdrawing the facilities, for, as Halifax pointed out to the War Cabinet, it was anticipated that Italy could only afford and would only order around a quarter of this amount. The Butler Committee had also advised that Britain should maintain or even increase its purchases of Italian horticultural produce, in so far as there was a legitimate market for it, on the grounds of the beneficial political effect this would have in Italy and the desirability of transferring some payments for

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[1]PRO CAB 65/6, 102nd Meeting, 24 April 1940, 9th minute.

[2]PRO FO 371/24942, R5438/58/22, minute by Sargent, 23 April 1940.

such goods from dollars to lire. Special reference had been made to the need to conclude negotiations for the ordering of merchant ships as well. Finally, instructions were to be sent to Playfair to endeavour to conclude a new clearing agreement on the basis of accepting the fundamental point on which the Italians were now insisting, namely that there should be a distinction between 'normal' and 'special' British purchases in Italy, with sterling credit generated by the latter being reserved solely to buy raw materials rather than service arrears in payment, provided that the distribution by Italy of the proceeds of 'normal' purchases (i.e. those which would be made in peacetime as opposed to those made to meet a requirement generated by the war) was not less favourable to Britain than under existing clearing arrangements.[1]

At first sight, the decision to accept that the proceeds of 'special' purchases should be reserved to buy raw materials might seem like a major concession, given that, hitherto, the British had consistently tried in negotiations for a new clearing agreement to limit Italy's potential to acquire large quantities of such goods (other than coal) in the interests of economic warfare and restricting Italy's ability markedly to increase its military preparedness. However, it must be borne in mind that the prospective level of Anglo-Italian trade in the near future was considerably lower than it had been before the breakdown of negotiations in February, and so, although under the proposed new clearing arrangements Rome would be able to spend a higher percentage of the proceeds of British purchases in Italy on raw materials, the actual quantity of such materials would not be dangerously high. Moreover, in the telegram to Rome explaining this decision, Playfair was further instructed that the division of purchases into 'normal' and 'special' should only be accepted provided there was a *quid pro quo* in the form of a satisfactory solution to

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[1]PRO CAB 67/6, Paper 109, 18 April 1940 & CAB 65/6, 102nd Meeting, 24 April 1940, 9th minute.

the issue of the appropriate rate of exchange to be used in establishing new clearing arrangements.[1]

Dispute over the rate of exchange between the lira and the pound to be adopted under new clearing arrangements had surfaced in early April,[2] and had soon begun to prove a serious impediment not only to negotiations for a new clearing agreement, but also to progress in reaching specific trade deals, such as those for the construction of merchant ships in Italy. The Italians wanted the rate of exchange to be based on the value of the pound on the New York black market, but the Treasury was equally insistent that it should be based upon the official sterling-dollar exchange rate because acceptance of a rate of exchange based on the black market in New York was considerably less favourable to the British and would, as the Chancellor of the Exchequer explained in a letter to Butler, 'completely destroy all our efforts to squeeze this market out or at any rate to reduce it to insignificance'. Despite the British attempt to break the deadlock over the exchange rate problem by offering to accept the division of purchases into 'normal' and 'special', however, Playfair had to inform the Butler Committee when he returned to London to report in early May that the Italians had shown little intention of budging on their demands in this area. The prospects of securing a new Anglo-Italian clearing agreement therefore seemed negligible and the Butler Committee agreed that, in such circumstances, trade negotiations would have to continue as best they could on the basis of the existing agreement, with any minor modifications as could be agreed upon being made to it.[3]

As expected, when Playfair met his Italian counterpart on his return to Rome, he was definitively told that, 'in view of our

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[1]PRO T 160/939, F13456/02/19, telegram to Charles, 19 April 1940.

[2]PRO T 160/939, F13456/02/17, April 1940.

[3]PRO FO 371/24931, R5386/48/22, meeting of Butler Committee, 3 May 1940, p.1-2 & TCLC RAB E3/20, Simon to Butler, 2 May 1940, f.99.

attitude on exchange rate question there was no possibility of reaching agreement on terms of a new clearing'. Nevertheless, the meeting was friendly and the Italians at least agreed to continue trade on the basis of the existing clearing agreement and to engage in discussions to make minor modifications to it.[1]

Although Anglo-Italian trade relations thus remained amicable, if unproductive, into early May, there had been a sharp increase in tension surrounding the blockade in the Mediterranean in late April,[2] and this had prompted Osborne to telegraph on the 30th that, as, in his opinion, 'the effects of the blockade are largely responsible for the slowly growing anti-British feeling in Italy', greater weight should be afforded to political considerations in calculating the appropriate level of control to be exercised in the Mediterranean.[3] This sentiment was echoed in Cabinet by Oliver Stanley on 6 May, and the War Minister succeeded in getting his colleagues to instruct that the idea be examined further.[4]

Thus the balance that had been struck in regard to the blockade under option (a) between political and economic considerations was being challenged, with some success, within a fortnight of its acceptance by the War Cabinet on the grounds that a more accommodating approach to economic control might ease tension with Italy. Moreover, the primacy of political considerations was also beginning to become evident in practice, for, in early May, an Italian ship carrying 5,500 tons of lubricating oil which had been detained at Gibraltar, and then Malta, for a month, and which, under normal circumstances, would have had its cargo seized, had been

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[1]PRO T 160/940, F13456/02/21, telegram from Loraine, 8 May 1940.

[2]PRO CAB 68/6, Paper 134, 1 May 1940, p.2.

[3]PRO FO 434/7, Part XXII, No. 15, telegram from Osborne, 30 April 1940.

[4]PRO CAB 65/7, 113th Meeting, 6 May 1940, 6th minute.

released.[1] By the eve of the German offensive in the West, therefore, the prospect of Britain adopting a firmer approach in regard to the blockade in the Mediterranean, apparently so possible just a month earlier, seemed to have disappeared.

Political Issues

Given that the mistaken belief in London during February 1940 that Italian policy was not developing unfavourably for the Allies had played some part in the decision at that time not to explore the issue of political offers to Italy, it is no surprise that the question resurfaced once again in the wake of the Brenner meeting with the realisation that Mussolini had set a definitely more anti-Allied course in Italian foreign policy. It was not the Italians, however, nor indeed the British, that took the lead this time, but the French.

The French were even more deeply concerned by the change in mood in Italy in late March than the British, and they responded by abandoning the decision made at the start of the war not to try to initiate political discussions with the Italians. By this stage, however, Italo-Allied relations had deteriorated to such an extent that it seemed unrealistic to make an effort to buy Italian support, so it was therefore only in an effort to bribe the Duce into remaining aloof from the conflict, rather than to join the Allies in it, that the idea of making political and/or territorial concessions to the Italians was mooted and tried in the spring of 1940.

The first step taken by Paris in late March was to get François-Poncet tentatively and secretly to try to reopen the door to talks on Italy's claims, but this met with no success.[2] Then, under growing pressure from the French legislature and press, and to the alarm of the British Foreign Office, Reynaud prepared to send a plenipotentiary to Rome to open negotiations on Franco-Italian points of dispute, only to

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[1]PRO CAB 68/6, Paper 140, 7? May 1940, p.7.

[2]François-Poncet, pp.158-9 & Ciano, Diary, 27 March 1940, p.227.

have to abandon the idea when Ciano summoned the French ambassador to inform him that any public effort to weaken the Axis would instead strengthen it, that Mussolini was not interested in such conversations, and that the Duce would not receive any French emissary.[1]

This forthright rejection of the idea of a French plenipotentiary being despatched to Rome discouraged any further attempt on Paris' part to initiate discussions on political issues until mid April. Then, an official at the Italian embassy in France suggested to Reynaud's military attaché that the Duce would be amenable to an approach on the basis of guaranteed Italian access to key natural resources, aid to Italy to exploit Ethiopia, concessions over the Suez Canal, a new statute for the Italians in Tunisia, and guaranteed access to Ethiopia via Djibouti. Influenced by this demarche, and doubtless also by Italy's disturbing response to the German attack upon Scandinavia, Reynaud decided to make another attempt to initiate political talks by writing to Mussolini.[2] In this letter, which the Duce received on 24 April, France's Premier stressed the damage that would be done to Italian interests should a German victory destroy the balance of power in Europe and issued 'a sort of invitation to a meeting before the two nations cross swords'.[3] This latest French effort failed miserably too, however, Mussolini's reply being described by Ciano as 'cold, cutting, and contemptuous'.[4]

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[1]DDI, 9th Series, Vol. III, No. 636, telegram to Guariglia, 28 March 1940, p.548, PRO FO 371/24958, R3822/438/22, 28 March 1940 & François-Poncet, pp.168-70.

[2]Shorrock, pp.279-80.

[3]Ciano, Diary, 24 April 1940, p.238. For the text of Reynaud's letter, see DDI, 9th Series, Vol. IV, No. 166, Reynaud to Mussolini, 22 April 1940, pp.135-6.

[4]Ciano, Diary, 26 April 1940, p.239. For the text of Mussolini's reply, see DDI, 9th Series, Vol. IV, No. 219, Mussolini to Reynaud, 26 April 1940, p.184.

Meanwhile, in the British Foreign Office, a considerable amount of thought was also being given by mid April to the possibility of attempting to bribe the Italians with offers of political concessions, Sargent minuting on 23 April, for example, that 'if it was shown that we could not afford to risk a war with Italy in present circumstances, then we would have to face the question of whether we ought not to be prepared to buy Italy off by discussing with her her "claims"'.[1] Despite growing concern that the policy of concentrating on economic issues in negotiations with Rome 'may not be sufficient to lure Italy away from the edge of the conflict', however, the FO soon concluded that to open discussions on Italian claims 'would be as infructuous as it would be undignified'.[2] This was largely because, as Sir Pierson Dixon, who had recently replaced Noble as the clerk at the Southern Department responsible for Italy, explained in early May, it was felt that,

> So long as the Allies are not in such an overwhelmingly strong position as to make the defeat of Germany absolutely certain, I think we may take it Mussolini would refuse to make any declaration which would be regarded by the Germans as a betrayal of the Axis. Moreover, in the absence of the condition predicated above no undertaking given by him would be worth the paper it was written on.[3]

The abject failure of French efforts to open discussions on Italy's claims highlights the accuracy of the FO's reading of the situation.

The War Cabinet discussed the issue of political talks with Italy on 28 April, when Chamberlain and Halifax, who were by this time aware that Ciano had told Dingli in early April that the Axis could not be broken and that any attempt to discuss Italy's political and territorial claims by bilateral

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[1]PRO FO 371/24942, R5438/58/22, minute by Sargent, 23 April 1940.

[2]PRO FO 371/24951, R5919/60/22, minute by Butler, 27 April 1940.

[3]PRO CAB 21/1304, 40A, Dixon to Medhurst, 9 May 1940.

diplomatic means would not be taken into consideration,[1] led opposition to them. The major objection raised was that attempts to initiate such talks would give an impression of Allied weakness, and so probably serve to make Italian intervention more rather than less likely. It was therefore decided to keep economic issues the mainstay of Anglo-Italian relations for the moment and to monitor how Mussolini reacted to Britain's latest efforts in this sphere.[2]

Unprepared as the British Government remained to enter into direct and immediate discussion of Italy's claims, however, some senior Foreign Office figures nevertheless felt a need by April to offer Mussolini something by way of a political incentive to remain out of the war. The Italian press had been warning the Allies against a 'new Versailles' and of the need to consider Italian views and interests in any post-war settlement since the start of the conflict,[3] and Loraine had argued in early February that Rome should be consulted when the time for peace and European reconstruction came so that Italy would become a force for stability in the post-war world.[4] Informal offers of active Italian participation in the reconstruction of Europe after the defeat of Germany were therefore made to Bastianini twice in April, first by Butler on the 12th, then by Halifax on the 26th, in the hope that Mussolini would be more inclined to remain aloof from the war if he believed that Italy did not have to fight in order to secure an important place at the peace table.[5]

Considering the informal nature of the offers, and particularly the fact that Germany appeared to be winning the

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[1]Quartararo, 'Il "Canale Segreto"', pp.706-7.

[2]PRO CAB 65/6, 106th Meeting, 28 April 1940, 6th minute.

[3]The Times, 6 September 1939, p.5, col.4.

[4]PRO FO 434/7, Part XXI, No. 33, Loraine to Halifax, 8 February 1940.

[5]DDI, 9th Series, Vol. IV, Nos. 61 & 217, Bastianini to Ciano, 12 & 26 April 1940, pp.43-5, 182.

war at this time and was therefore in a better position to offer Italy participation in the reconstruction of Europe after the conflict than the Allies, it will come as no surprise to discover that they failed to elicit a noteworthy response. Nevertheless, Butler continued to believe that there might be something to gain from such offers, a view with which Nichols agreed, particularly as the Counsellor at the Italian embassy had told him that such an approach might bear fruit.[1] Sargent, on the other hand, considered this idea to be impractical and unwise, opining that,

> If approached on this plane Mussolini would at once suspect a trap and react accordingly. The only aspect of reconstruction in which he is interested is...the cession of territories which he covets, and if we are not going to discuss these claims he will view our approach with the utmost suspicion as being merely an attempt on our part by the use of fine words to detach him from the Axis in foreign affairs and to undermine the Fascist regime in the domestic sphere.[2]

No firm decision was therefore reached at this stage on whether to make a more formal offer to Mussolini of participation in the reconstruction of Europe after the war.

Thus, by the eve of the German offensive in the West, despite extending to the Italians vague and informal offers of participation in the framing of a future peace settlement, the British had once again eschewed the kind of appeasement based on political and territorial concessions which the French had now shown themselves keen to pursue. The extent to which London was able to maintain this position in the wake of Germany's dramatic military success in France will be examined in the next chapter.

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[1]PRO FO 371/24951, R5919/60/22, minute by Butler, 27 April 1940.

[2]PRO FO 371/24951, R5920/60/22, memo by Sargent, 1 May 1940.

CHAPTER SEVEN - MAY TO JUNE 1940

Britain and Italian Foreign Policy

The day Germany launched its offensive in the West, 10 May, Ciano informed Loraine that this development did not alter Italy's status as a non-belligerent. Although this was technically true, at least for the moment, it soon became clear that the German action would have dramatic repercussions in Rome, for, within forty-eight hours, Sir Percy was reporting 'an outburst of Italian animosity...even more bitter than the last' in April. There had been offensive posters put up on every street corner, anti-British propaganda from students and youth organisations, and the *Osservatore Romano*, the only newspaper widely available in Italy not controlled by the government, was scheduled to be banned from 13 May.[1] Some Fascists had even gone so far as to assault a British official who had torn down an anti-British manifesto.[2]

With Italy's failure to intervene in April or early May in mind, the initial reception given in London to all this was fairly sanguine, Halifax informing the recently reconstituted War Cabinet on 13 May, for example, that he still felt, though admittedly with less conviction than before, that Mussolini was not about to enter the war.[3] This view seemed to be supported by a telegram from Loraine the same day which pointed out that anti-war feeling amongst the Italian people remained strong.[4] Sir Percy at this point believed this latest anti-Allied outburst was part of a plot engineered by the Germans to get Britain and France to declare war on Italy,[5] and this doubt over the prime motivating factors

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[1]PRO FO 434/7, Part XXII, Nos. 19 & 25, telegrams from Loraine, 10 & 12 May 1940.

[2]Ciano, Diary, 11 May 1940, p.248.

[3]PRO CAB 65/7, 120th Meeting, 13 May 1940, 4th minute.

[4]PRO FO 434/7, Part XXII, No. 29, telegram from Loraine, 13 May 1940.

[5]Waterfield, p.265. Loraine was not alone in believing that the Germans were playing an important role in

behind Italian policy led Sargent to minute on 14 May that 'it is not certain yet whether the new policy of provocation should be considered as a direct preliminary to entry into the war'.[1]

The reality, however, was that the Duce was desperate to commit Italy to the fray as soon as he felt it possible to do so. He was thrilled by and approved wholeheartedly of the German assault in the West when it was announced to him in the early hours of 10 May, and his first thought was to exploit the Nazi attack by acting against Yugoslavia. By 13 May, he had forgotten about Yugoslavia and was relishing a direct fight with the Allies, telling Ciano, 'We Italians are already sufficiently dishonoured. Any delay is inconceivable. We have no time to lose. Within a month I shall declare war'. Ciano sadly noted in his diary that day, 'I can do nothing now to hold the Duce back... Only a new turn in military events can induce him to revise his decision, but for the time being things are going so badly for the Allies that there is no hope'. The next day, Mussolini told the German ambassador that Italy would intervene within weeks or even days.[2]

There remained, of course, the problem of Italy's lack of preparedness for a major war. However, as May wore on, Germany's spectacular military success made it look increasingly like the war would not have long to run, and an Italian report of 13 May made it clear that the country could cope with a short conflict.[3] All Italy's military leaders could do in these circumstances before consenting to

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determining Italian policy at this time. The British Consul-General in Genoa, for example, was convinced that German fifth columnists were infiltrating Italy and trying to stir the Italian people and leaders into intervening (PRO CAB 21/975, HM Consul-General, Genoa to Charles, 7 May 1940).

[1]PRO FO 371/24944, R6067/58/22, minute by Sargent, 14 May 1940.

[2]Ciano, Diary, 10, 13 & 14 May 1940, pp.246, 248-50.

[3]Knox, Mussolini Unleashed, p.99.

intervention was seek a delay of a couple of weeks to monitor developments on the Western Front.[1]

This still left the Monarchy, the public, the Church and the remaining dissenting figures within the Fascist Party as obstacles to the Duce's desire, but, in the event, none of these proved particularly difficult to deal with. The Church was effectively dealt with by the threat to ban the Vatican newspaper and by the application of pressure, including violence, to its vendors, all of which resulted in the Pope agreeing not to publish any political news in the paper from the middle of May.[2] The key factor working in Mussolini's favour, though, was the outstanding success of German arms. Suddenly, the Duce's policy of alliance with Hitler began to seem more wise than most Italians had hitherto believed, and the odds of Italy being able to fight the Allies with some degree of success in spite of its weaknesses improved daily. From mid May, street protests began to erupt demanding war, and, over the following days and weeks, many Italians came ever more round to the idea of intervention as the means to prove Italy was a Great Power and expand its influence.[3] German success appears to have cast the same spell over many of those in the Fascist regime who had previously opposed Italy's involvement in the war, some of whom became

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[1]Ciano, Diary, 18 May 1940, p.252.

[2]Wiskemann, pp.209-10.

[3]Knox, Mussolini Unleashed, p.103, 108-12. There has been some dispute as to the extent the Italian people were won over to intervention in May-June 1940. It certainly seems that when Mussolini announced Italy's intervention on 10 June, the crowd assembled outside the Palazzo Venezia received the news with little enthusiasm (see, for example, Ciano, Diary, 10 June 1940, p.264 & Badoglio, pp.20-1), and this has led many subsequent commentators to state that, as one historian has put it, the Italian people entered the war 'not with the faith of an army, but with the patient resignation of a herd' (Segrè, C.G., Italo Balbo: A Fascist life (California, 1987), p.375). However, Knox's assertion that the bulk of the Italian people were won over to the idea that Italy should enter the war, at least at the end of May and beginning of June, when the chances of any conflict being cheap and easy appeared to be good, seems to me the most thoroughly researched and convincing thesis.

'exaggeratedly pro-German', and the King's opposition was eroded by his decision to tie the position of the Monarchy to that of the Italian people.[1]

Marshal Badoglio, Italy's top military man, finally gave his approval to Italian entry on 26 May, convinced by the Duce's insistence that the war would be over by September and his famous plea, 'I need a few thousand dead so as to be able to attend the peace conference as a belligerent'. As a result, Mussolini faced no opposition from his chiefs of staff when he told them three days later that Italy would intervene some time shortly after 5 June.[2] Ciano, one of the few major figures in the Italian Government still opposed to intervention, realised that there was nothing he could now do, and echoing the words of the man the Duce was so desperate to emulate, unhappily noted in his diary on 30 May, 'The die is cast. To-day Mussolini gave me the communication he has sent to Hitler about our entry into the war'.[3]

The reality of the situation in Italy began to be more clearly appreciated in London from 15 May. This was the darkest day of the war so far for the Allies, for not only did the Dutch capitulate, but, even more disturbingly, Reynaud responded to the German breakthrough on the Meuse by telephoning Churchill, who had succeeded Chamberlain as Prime Minister on 10 May, to tell him, 'We are beaten. We have lost the battle. The way to Paris is open'.[4] With the war starting to go disastrously wrong for the Allies, an MEW report of 8 May which had concluded that Italy, despite its material weaknesses, could survive a short war,[5] must have begun to cause severe

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[1]Ciano, Diary, 16, 17 & 20 May 1940, pp.251, 253.

[2]Badoglio, pp.14-18.

[3]Ciano, Diary, 30 May 1940, p.257. For the text of this communication, see DGFP, Series D, Vol. IX, No. 356, Mussolini to Hitler, 30 May 1940, p.483.

[4]As cited in BUL NC 2/24A, diary entry for 15 May 1940.

[5]PRO CAB 21/980, 'Italy - Economic Preparedness for War' by MEW, 8 May 1940.

consternation. This can hardly have been relieved by a telegram from Rome on 15 May reporting that Ciano had informed the Belgian ambassador that 'Italy had now passed from a position of non-belligerency to a position of near-belligerency',[1] nor by information revealed to the War Cabinet the same day that the Italian Foreign Minister had told the American ambassador that the odds were now ten to one on Italy entering the war. With concern mounting, the War Cabinet ordered the thinning out of merchant shipping in the Mediterranean and the prevention of any more British ships from passing westwards of Aden on 16 May, and, the very next day, Halifax finally told his colleagues that 'on the latest evidence he was inclined to think that Signor Mussolini had very nearly reached the point of bringing Italy into the war'.[2]

Even now, though, a degree of uncertainty as to Italian intentions remained, largely caused by reports of Italian military activity, or rather lack of it. For example, Loraine reported on 15 May that, although numbers serving with the colours were double the normal peace establishment and the Navy was ready and up to war strength, neither the Army nor the Air Force had yet been put on a war footing.[3] The confusion this caused the British ambassador was mirrored by that of the COS. In a report dated 17 May, they noted that although there were large concentrations of Italian forces on the French and Yugoslavian borders, and there had been a movement of troops in Libya eastward towards Egypt, there was a surprising lack of military activity in centres such as Rome, Naples, and Bari, many of those currently serving in the Italian armed forces were untrained, and there was a seeming lack of any air raid precautions in Italy. This led them to

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[1]PRO FO 434/7, Part XXII, No. 34, telegram from Loraine, 15 May 1940.

[2]PRO CAB 65/7, 123rd Meeting, 15 May 1940, 5th minute, 124th Meeting, 16 May 1940, 9th minute & 126th Meeting, 17 May 1940, 7th minute.

[3]PRO FO 434/7, Part XXII, No. 37, telegram from Loraine, 15 May 1940.

conclude that, 'It is almost impossible to reach, on military grounds, any firm conclusion as to Italian intentions'.[1]

Uncertainty as to Italian intentions dissipated over the next week or so, however. On 22 May, Loraine, now free from his delusion that it was the Germans propelling Italy towards intervention,[2] telegraphed that the Duce was only waiting for the establishment of German forces in the Channel ports before declaring war,[3] and, shortly afterwards, the JIC reported that, although there were indications both that Italy would and would not enter the war in the near future, 'The balance of evidence suggests...that Signor Mussolini has reached the conclusion that it is possible and/or necessary for him to override the difficulties which stand in the way of Italy going to war with the Allies'.[4] Perhaps the most eloquent surmisal of Italian intentions, though, was provided by Wavell, who commented in a letter to the CIGS,

> Italy still seems to be hesitating on the brink, but I think must take the plunge soon. Musso looks to me rather like a man who has climbed up to the top diving board at a swimming pool, taken off his dressing gown and thrown a chest to the people looking on. I think he must do something; if he cannot make a graceful dive, he will at least have to jump in somehow; he can hardly put on his dressing gown and walk down the stairs again.[5]

Any lingering doubts were dispelled on 28 May, the same day that Belgium capitulated as Loraine later emphasised,[6] when Ciano informed Sir Percy that all negotiations between Italy and the Allies were to be broken off completely and at once,

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[1]PRO CAB 66/7, Paper 158, 17 May 1940, p.10.

[2]In fact, by the end of May, most Nazis and German officers were strongly opposed to Italian intervention, as they felt that the victory should be Germany's alone (Wiskemann, p.207).

[3]PRO CAB 65/7, 135th Meeting, 23 May 1940, 5th minute.

[4]PRO CAB 80/11, Paper 387 JIC, 24? May 1940.

[5]PRO WO 201/2119, 36A, Wavell to Dill, 22 May 1940, p.2.

[6]PRO FO 1011/69, 'Report on Mission to Italy' by Loraine, 12 August 1940, para.114.

and that Italian entry into the war was now a certainty. There remained only doubt about the date, though it could not be reckoned in months.[1] British policy had failed.

Last Ditch Efforts to Avert War in the Mediterranean

In the light of the rapidly deteriorating military situation during the opening fortnight or so of the German offensive in the West, the maintenance of Italian non-belligerence became of even greater importance to Britain and France than hitherto. The best way to have forestalled Italian intervention would have been for the Allies to have matched or bettered the Germans on the battlefield, but the Anglo-French armed forces proved incapable of this. Other means had therefore to be sought in the attempt to avert war in the Mediterranean.

Personal Appeals

Despite the failure of personal appeals to Mussolini by the Pope and the President of the United States in April to keep Italy out of the war, some faith in this form of diplomacy was clearly retained in London, for Churchill took the opportunity granted him by becoming Prime Minister to write a personal letter to the Duce. It was neither a particularly strong nor weak epistle, its intent being to warn Mussolini against intervening by informing him that Britain would fight on even if France were to fall and that it would be increasingly aided in its struggle by the United States. The Duce, however, despite being impressed by the letter's tone, replied promptly and forcefully, referring to the imposition of sanctions in 1935 and to Italy's 'state of servitude' in the Mediterranean, and reaffirming his bond of honour to Germany.[2] More concrete action was clearly going to be required if the British were to avert Italian intervention.

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[1]PRO CAB 65/7, 146th Meeting, 29 May 1940, 10th minute & Waterfield, p.269.

[2]PRO FO 434/7, Part XXII, Nos. 39 & 41, telegrams to & from Loraine, 16 & 18 May 1940 & Ciano, Diary, 16 May 1940, p.251.

Military Policy

Having adopted a more vigorous policy of military deterrence in April, one might have expected the British Government to have markedly stepped it up in response to the ever more vehement anti-Allied outbursts from Rome after 10 May. However, the extent to which Britain's military position against Italy could be improved was seriously limited by increased demands for men and materiel for the Western and Home fronts brought about by the failure to halt the advance of the *Wehrmacht*, and it is to London's credit that it did not panic and rush into denuding the Mediterranean and Middle East of forces unnecessarily.

Indeed, in the month between the commencement of Germany's assault on the West and Italy's entry into the war, Britain's military position in the region continued to be improved. The four battleships sent to Alexandria in late April-early May were joined by an aircraft carrier and another battleship was despatched to Gibraltar to help guard the western entrance to the Mediterranean.[1] The increased aerial threat to Britain and the scarcity of aircraft and AA guns meant that little could be done to ameliorate the air situation in the region,[2] but there was considerable activity amongst land forces as efforts continued to be made to effect the recommendations put forward by the COS and approved by the War Cabinet at the end of April. Between 11-19 May, one battalion arrived at Aden, another reached British Somaliland, and an Australian brigade group disembarked in Palestine.[3] Later, in early June, an infantry brigade was moved from Palestine to Egypt[4] and two West African brigade groups left Nigeria for Kenya.[5]

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[1]Playfair, p.91.

[2]See, for example, PRO CAB 65/7, 135th Meeting, 23 May 1940, 6th minute & CAB 80/12, Paper 425, 4 June 1940.

[3]PRO CAB 66/7, Paper 167, 24 May 1940, pp.8-9.

[4]Playfair, p.98.

[5]PRO CAB 66/8, Paper 195, 7 June 1940, p.8.

At the same time as the earlier of these measures were being effected, however, serious consideration was being given in London to a step that would have severely undermined Britain's policy of military deterrence. On 18 May, Churchill, worried about the situation in France, instructed the COS to discuss the possibility of withdrawing eight Regular infantry battalions from Palestine.[1] The COS addressed the issue on 24 May, when General Percival, representing the CIGS, vehemently opposed the measure, arguing that it was important to defend the Empire as well as Britain and expressing concern that if the battalions were to be moved about in the next few crucial weeks, they might not be able to fight anywhere. He was also worried that their withdrawal would encourage Italy to intervene and would have a disastrous effect upon Britain's allies in the region. Pound supported Percival, pointing out that the transport of these troops through the Mediterranean at the moment would be a very difficult task for the Navy. They could always go round the Cape, of course, but this would only prolong the period in which they would be unable to play any active role in the war.[2]

The matter did not end there, though. It was raised at War Cabinet level on 29 May and vigorously supported by Churchill, who had not given up France as a lost cause and envisaged sending the Palestinian battalions across the Channel.[3] The JPC therefore produced a paper on the subject the next day, in which it expressed its wholehearted support for the position adopted by Percival, adding convincingly that the shortage in north-west Europe was in tanks, guns and ammunition rather than manpower.[4] The COS, greatly relieved by the arrival in Britain of large numbers of seasoned British troops from

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[1]Churchill, W.S., The Churchill War Papers - Vol. 2: Never Surrender, May 1940-December 1940, ed. M. Gilbert (London, 1994), Churchill to Ismay, 18 May 1940, pp.76-7.

[2]PRO CAB 79/4, 146th Meeting, 24 May 1940, 4th minute.

[3]PRO CAB 65/7, 146th Meeting, 29 May 1940, 9th minute.

[4]PRO CAB 80/12, Paper 410 JP, 30 May 1940.

Dunkirk, approved the JPC paper on 31 May,[1] and, faced with such solid opposition from the British military establishment, the Prime Minister had to settle instead for the withdrawal of eight Regular British battalions from India.[2]

Britain thus retained a viable military deterrent to Italy on land as well as at sea, but it will be remembered that the measure in which the greatest hope had been placed at the end of April was the establishment of an aerial threat to Italy's industrial heartland in the north-west. Unfortunately, however, very little had occurred by late May to render that threat effective. When informed of the British scheme, the French had, not unreasonably, insisted that they should take responsibility for it, but a fortnight into the campaign in north-west Europe, no bombers had been moved to south-eastern France and there seemed to be little prospect of this being rectified. The British therefore decided to press the French as to the importance of the plan and offered to take responsibility for its implementation.[3]

With the idea of an aerial deterrent thus being resurrected, Loraine telegraphed on 28 May to argue that the despatch of a British bomber force to the south of France 'would make a very deep impression on the Italian Government' and to suggest that he be permitted to inform Ciano that the Allies intended to bomb industrial targets if Italy entered the war. When the War Cabinet discussed the project on 1 June, there was general consensus as to its military worth, though doubts were clearly beginning to surface as to its deterrent value in the wake of Ciano's revelation to Loraine on 28 May that Italian intervention was certain and imminent. The CAS, for example, stated that he would prefer not to despatch bombers to the south of France until Italy had actually intervened, so that

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[1]PRO CAB 79/4, 160th Meeting, 31 May 1940, 2nd minute.

[2]Connell, J., Wavell, Scholar and Soldier: To June 1941 (London, 1964), p.234.

[3]PRO CAB 21/1304, 59A, 'Air Attack on Italian War Industry' by CAS, 24 May 1940.

the Germans could continue to be bombed as heavily as possible in the meantime, and Chamberlain, now the Lord President of the Council, agreed that only servicing units should be sent for the moment. Churchill, though, obviously retained at least a faint hope that deterrence might still work, for he argued that a much deeper impression would be made in Rome by the arrival of the aircraft themselves. In spite of the Prime Minister's plea, the War Cabinet resolved that the decision as to when to despatch aircraft to south-east France should be left to the Air Staff, though it also agreed that Loraine should approach Ciano as he had suggested on 28 May.[1] This latter decision was swiftly reversed, however, the War Cabinet deciding on 2 June that a better way of proceeding was to arrange for news of preparations for bombers to operate from aerodromes near Italy to be allowed to leak out.[2]

The British thus managed to maintain or create at least some form of deterrence in the Mediterranean and Middle East in each sphere of military activity during the last month of peace in the region. Had the steps which were taken in April and May 1940 to improve Britain's military position against Italy been taken earlier, they might have had a tangible effect in Rome. However, coming, as they did, during a period when German arms were crushing the Allies and seemingly winning the war, their impact was inevitably diminished. Not only did German success prevent the French from complementing British measures by taking similar deterrent action against Italy, such as reconstituting a powerful army in North Africa,[3] but the Italian fear of fighting the western European powers, which a policy of military deterrence was intended to exacerbate, naturally lessened as the *Wehrmacht* appeared to bring the Allies ever nearer to defeat. As one historian has neatly put it, 'Hitler's "real war" was being far too

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[1]PRO CAB 65/7, 151st Meeting, 1 June 1940, 3rd minute.

[2]PRO CAB 65/7, 152nd Meeting, 2 June 1940, 3rd minute.

[3]Playfair, p.92. French forces in North Africa in early June 1940 were only capable of limited operations.

successful for such threats to have any significance'[1]. If the British were to have any hope of maintaining Italian non-belligerence in the light of Germany's spectacular victories, other tactics would have to be tried.

Economic Issues

In the circumstances of massive Allied defeat at the hands of the *Wehrmacht*, it was far too late for the prospect of improved trade with Britain to have much influence upon Mussolini's decision to remain non-belligerent or enter the fray, so the fact that some progress was made in Anglo-Italian commercial negotiations in mid May, headway being made in attempts to conclude contracts for the construction of merchant shipping in Italy and some agreement being reached on minor modifications to the existing clearing arrangements, for example, was, to all intents and purposes, irrelevant.[2]

The blockade, however, offered London a more immediate chance to ease tension with Rome. Almost since the war had started, seemingly the greatest bone of contention between the British and Italians had been the exercise of economic control in the Mediterranean, and, in the wake of the launch of the German attack in the West, its deleterious effect upon Anglo-Italian relations was highlighted. Not only did Rome produce a savage report labelling the blockade 'an instrument of commercial hegemony' and detailing the supposed damage done to Italy by it, but it was the major issue upon which the Italian press was attacking the British.[3]

As we have seen, the War Cabinet had decided on 6 May that the idea of affording greater weight to political considerations in calculating the appropriate level of economic control to be exercised in the Mediterranean should be given consideration, and the Butler Committee had consequently met to discuss the

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[1]Waterfield, p.269.

[2]PRO T 160/940, F13456/02/21-22, May 1940.

[3]PRO FO 434/7, Part XXII, Nos. 24 & 43, telegrams from Loraine, 10 & 14 May 1940.

issue two days later, on the 8th. Encouraged by Italy's continued non-belligerence even in the wake of the Allied withdrawal from the bulk of Norway, however, it had agreed that no further relaxation of economic control towards Italy was advisable.[1] Nor had this been an arduous decision to reach, for key figures at the Foreign Office were by this stage as opposed to loosening the blockade as those in charge at the MEW. Sargent, for example, considered that if blockade policy in the Mediterranean were to be altered at all, it should be tightened, and Cadogan commented of attempts to improve Anglo-Italian relations that 'the worst price to pay is relaxation of contraband control, which merely puts Mussolini in a position better to threaten us at a later date when his appetite needs assuaging again'.[2]

Following the drastic reduction of the Allied military commitment in Scandinavia and the reconstitution of a powerful battlefleet under Cunningham in the Eastern Mediterranean in early May, and with the MEW's desire to tighten the blockade and the FO's apparently hardening position on economic control towards Italy in mind, it is possible that efforts to introduce stricter control over contraband and enemy exports in the Mediterranean would soon have been resurrected in London in an attempt to increase pressure upon Germany and deter Italy from entering the war. The commencement and initial success of the German assault in the West, however, prevented British policy from developing in this direction. The key reason the British Government had decided against tightening the blockade in the Mediterranean in April was that it did not consider it wise to take steps which could quite conceivably give Mussolini the pretext and the means to drag a still largely unwilling population into the war at a time when the Allies had taken on a considerable military commitment in the north. With the eruption of fighting in north-west Europe, therefore, the need to maintain Italian

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[1]PRO FO 371/24943, R5946/58/22, minute by Dixon, 8 May 1940.

[2]PRO FO 371/24951, R5920/60/22, memo by Sargent & minute by Cadogan, 1 May 1940.

non-belligerence became greater than ever, and so effectively ruled out any measures which ran a considerable risk of provoking immediate Italian intervention.

Indeed, the commencement and initial success of the German attack in the West served to resurrect the idea of trying to ease tension with Rome through the adoption of a more accommodating approach to economic control. As early as 13 May, for example, Sargent wrote that 'the moment is coming when we will have to answer the question whether we ought not to call off our contraband control in the Mediterranean entirely in the hopes of thereby at any rate postponing Mussolini's entry into the war'.[1]

The very next evening, the Marchese Patrizi from the Italian embassy in London called upon Butler, apparently on his own initiative, to discuss the blockade. He pointed out that following recent events, nearly all northern European ports which were not currently in Allied hands were controlled by the Germans, or at any rate soon would be. He therefore felt that it made sense for control of all seaborne goods to be imposed at the source of supply, principally in North and South America, by means of the Navicert system, rather than in the approaches to Europe. Patrizi also advised that it would be to the Allies' benefit should they release all cargoes detained in Italy under the hold-back system and warned that, should his suggestions be ignored by the British Government, he feared that war would result.[2]

The British response to Patrizi's demarche was immediate. Halifax informed the War Cabinet on 15 May that he had instructed Loraine to notify Ciano that London was ready to enter into discussions with the object of minimising as far as possible the annoyances caused to Italy by the Allied exercise

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[1]PRO CAB 21/978, Sargent to Ismay, 13 May 1940.

[2]PRO FO 371/24943, R5946/58/22, minute by Butler, 15 May 1940.

of economic control in the Mediterranean.[1] The Italian Government replied constructively by letting it be known that they would be prepared to cooperate in the functioning of a Navicert system by refusing to ship goods not covered by a Navicert or for which an application for a Navicert had not been made,[2] and, on 17 May, Mussolini accepted that a British delegation should return to Rome to discuss the blockade.[3] In the light of this positive response, the Butler Committee approved the release of all goods currently detained in Italy under hold-back guarantees on 18 May,[4] and, the next day, the War Cabinet gave its approval to the introduction of a system of contraband control in the Mediterranean based upon control at the sources of supply.[5] On 20 May, Sir Wilfred Greene was despatched to Rome authorised to announce, in view of the cooperative attitude recently displayed by the Italian Government, the temporary suspension of all contraband control in the Mediterranean, pending the successful negotiation of an agreement covering the blockade.[6] Just three days later, the Admiralty instructed its forces that no Italian ships inward or outward bound to or from the Mediterranean were to be stopped for enemy export control, examination of mails, or removal of passengers either, though the Italians were not informed of these measures.[7]

It might have been expected that the MEW would have staunchly opposed these developments, but it appreciated that the need to keep Italy out of the war in the light of the desperate

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[1]PRO CAB 65/7, 123rd Meeting, 15 May 1940, 5th minute.

[2]PRO CAB 68/6, Paper 152, 21? May 1940, p.3.

[3]PRO FO 1011/69, 'Report on Mission to Italy' by Loraine, 12 August 1940, para.107.

[4]PRO FO 371/24943, R5946/58/22, minute by Dixon, 18 May 1940.

[5]PRO CAB 65/7, 129th Meeting, 19 May 1940, 6th minute.

[6]PRO CAB 68/6, Paper 152, 21? May 1940, p.3.

[7]PRO ADM 199/2124, Blockade History: Mediterranean, Section II, p.36.

situation in France was such that drastic measures were required.[1] Indeed, exactly what the British were hoping to achieve with the radical changes to their blockade policy in the Mediterranean is explained in an MEW memorandum dated 18 May. The changes were not expected to prevent Italy from entering the war in the face of political and military factors working in favour of intervention in the mid to long-term, but it was hoped that they might ease tension sufficiently at least to postpone Italian entry for a few weeks, during which time the Allies might rally on the Western Front and create a military situation which would render Italian intervention improbable once more. Indeed, should the Allies rally sufficiently, any concessions made to the Italians might then be withdrawn in the interests of establishing firmer control over German imports and exports.[2] In this light, the British response to Patrizi's approach to Butler seems more like skilful diplomacy than an act of desperation.

Greene returned from Rome on 26 May, confident of having discovered the basis for a lasting agreement regarding contraband control in the form of an Italian state guarantee against the re-export of certain key commodities, provided a list could be agreed upon, and the maintenance of the Navicert system.[3] That same day, however, Badoglio had given his consent to Italian intervention, thereby at last clearing the way for Mussolini to make the definitive break with the Allies. With war in the near future now a certainty, the Duce no longer had any need for or interest in discussing economic issues with the British and all negotiations were consequently

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[1]See, for example, the comment of the new Minister of Economic Warfare, Hugh Dalton, that he 'was wholly in favour, given the present situation, of the Master of the Rolls undertaking his latest mission' in PRO FO 1011/211, Dalton to Loraine, 25 May 1940.

[2]PRO FO 371/24943, R5946/58/22, memo by Drogheda & Nicholls, 18 May 1940, p.4.

[3]PRO CAB 68/6, Paper 158, 28? May 1940, p.1 & FO 837/500, 'Note by the Master of the Rolls Regarding his Recent Mission to Rome', 27 May 1940, paras.4-5.

severed on 28 May. The radical changes in Allied blockade policy had not achieved their aim.

Political Issues

The final way in which the Allies tried to avert war in the Mediterranean was to raise the possibility of political and territorial concessions. As we have seen, Paris had unsuccessfully endeavoured in late March and April to initiate political talks with Rome, but now, with the *Wehrmacht* pouring through northern France, efforts to avert, or at least delay, Italian intervention with offers to discuss Italy's political grievances came to the fore.

The War Cabinet had, of course, decided to eschew approaching the Italians to discuss their claims as recently as 28 April, but the idea continued to be discussed in the Foreign Office even so. Up to the outbreak of war on the Western Front, such consideration almost unequivocally supported the current position. Dixon of the Southern Department minuted on 6 May, for example,

> I cannot conceive that any approach to the Italians at the moment would have an effect other than making them open their mouths wider and encouraging the illusion that we are now in such desperate straits after the Norwegian reverse that we are ready to go to great lengths in order to keep Italy out of the war against us.

Nichols agreed with his colleague and raised a point fundamental to the whole question by noting, 'there can be no question of buying <u>permanent</u> Italian non-belligerency - at least I can think of no means of ensuring the permanency'. Cadogan picked up on this and minuted his agreement, though Halifax interestingly limited himself to opposing an approach only 'as things are at present'.[1]

Opposition to efforts to introduce political questions into relations with Italy began to recede, however, as a result of the increased need to keep Italy out of the war in the light of the spectacular German success on the Western Front. As

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[1]PRO FO 371/24943, R5811/58/22, minutes by Dixon, Nichols, Cadogan & Halifax, 6 & 7 May 1940.

early as 14 May, a minute by Sargent raised the possibility of opening discussions on Italian claims, though it warned that such a policy

> would at this juncture be interpreted by Mussolini as a sign that we were even weaker than he supposed, and the result might be the reverse of what we had hoped unless our approaches were accompanied by definite evidence of increased strength in the Mediterranean.[1]

By 17 May, the FO was consulting with the French on the desirability of making a public statement 'designed to reduce the propaganda value to Mussolini of the exploitation of Italian grievances real and imaginary'. This statement referred to the recent reinforcement of the Allied fleets in the Mediterranean, adding that this was purely defensive, before moving on to its key message. This was that the Allies would welcome Italy as an equal at the peace conference at the end of the war, at which Italian claims would be discussed as part of the general settlement. Bastianini had of course already been twice informed back in April that the British Government wished to invite Italy to the peace conference as an equal, but the proposed statement would not only make such an offer public, and therefore much more difficult to renege on, but added the specific promise to consider Italian claims. On 21 May, however, the British decided at the last minute that, in view of the Duce's negative reply to Churchill's letter of 16 May, the statement should not be made.[2]

It swiftly became apparent that the French were not prepared to let the matter drop, though. On 21 May, Daladier, recently installed as Foreign Minister in Reynaud's government, informed Sir Ronald Campbell, the British ambassador in Paris, that he was considering opening negotiations with Italy with a view to making immediate concessions. Campbell tried to discourage him, surmising that Mussolini 'could not be bought off', but with little apparent effect.[3]

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[1]PRO FO 371/24944, R6067/58/22, minute by Sargent, 14 May 1940.

[2]Woodward, 1, pp.232-3.

[3]PRO CAB 65/7, 133rd Meeting, 22 May 1940, 7th minute & Knox, Mussolini Unleashed, p.113.

The reaction in the Foreign Office upon learning of Daladier's proposed initiative is very interesting. Nichols, whose views were shared by Sargent and Cadogan, expressed his opposition to immediate concessions, though he balanced this by supporting the public statement that had so recently been rejected. This should only be made, however, when a planned Allied counter-offensive in France had succeeded, so as to avoid seeming to act from a position of weakness, a stipulation with which Cadogan strongly agreed. Nichols further stated that the aim of Allied policy at this time should be to delay Italian intervention and to fortify those in Italy opposed to entering the war. These were objectives which he believed could be met, and at a price worth paying, by a public statement offering to discuss Italy's claims at the peace conference (Sargent noted his agreement with this in the margin).[1]

Thus the British were not prepared at this point to take things any further than they had been before they were informed of Daladier's desire for immediate concessions. With the fighting going from bad to worse in France, however, it was only a matter of hours before they were being forced to reconsider their position yet again. On 23 May, a telegram arrived from Paris in which the British ambassador passed on a proposal from Daladier and Reynaud that Roosevelt should be asked to make a personal approach to Mussolini again, this time to inquire exactly what his political grievances were and to offer to communicate them to the Allied governments, the aim being thereby at least to delay Italian intervention.[2]

With the French clearly desperate to take some kind of joint Allied action in regard to Italy's claims, the Foreign Office seized upon the idea of involving Roosevelt, as an indirect approach to Rome, made ostensibly on the President's own initiative, would hopefully avoid the appearance of Allied

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[1]PRO FO 371/24958, R6198/438/22, minutes by Nichols, Sargent & Cadogan, 22 May 1940.

[2]Woodward, 1, pp.234-5.

weakness that so troubled British policymakers. Indeed, using Roosevelt as an intermediary was something which the FO had itself been mooting, and, presumably in the hope of dissuading Paris from taking any more drastic action, it now suggested that the President also be asked to inform the Duce 'that he had reason to believe' that the Allied governments would be willing to consider Italian claims at the peace conference at the end of the war, to which Italy would be invited as an equal, provided that Rome did not intervene on Germany's side.[1] Given the dire situation on the Western Front and the need to prevent French policy from deviating too far from that of London, Halifax had little trouble convincing the War Cabinet of the merits of the plan on 24 May.[2]

The next day, this time without prompting from across the Channel, the British took things further still. An undisclosed member of the staff of the Italian embassy had suggested to Vansittart that a willingness to consider Italian political grievances on London's part might bear fruit, and this had convinced Britain's Chief Diplomatic Advisor that London should offer to discuss political issues with Mussolini forthwith.[3] Cadogan also now favoured such a move, 'if it will stave off war with Italy for a few days',[4] a comment which suggests that British offers to enter into political discussions with Rome were perhaps less a genuine attempt to address Italian grievances than a bid to delay Italy's intervention in the hope that the Anglo-French armed forces might yet be able to stabilise the front in France and drastically improve the Allies' predicament.

The War Cabinet responded to Vansittart's news by agreeing on 25 May that he should be instructed to inform his contact at the Italian embassy that London was 'willing to enter into

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[1]PRO FO 371/24958, R6198/438/22, 'Notes for S. of S.', 24 May 1940.

[2]PRO CAB 65/7, 137th Meeting, 24 May 1940, 7th minute.

[3]PRO CAB 65/7, 138th Meeting, 25 May 1940, 8th minute.

[4]Cadogan, Diaries, 24 May 1940, p.289.

discussions with the Italian Government with a view to putting an end to the difficulties and misunderstandings which blocked the path of friendship' between Britain and Italy without delay. The British were thus effectively offering to enter into political discussions with Rome forthwith, though Churchill insisted that the approach must not be accompanied by any publicity, 'since that would amount to a confession of weakness'.[1]

It is important to appreciate fully the difference between the two approaches to Rome to open political talks authorised by the War Cabinet on 24 and 25 May. On the former day, the War Cabinet had agreed to let the Italians know that the Allies would be willing to discuss their claims only at the peace conference at the end of the war. This was certainly a noteworthy development from the offers made to invite Italy to participate as an equal at a peace conference in April, when no specific promise had been made to consider Italian claims, yet the new proposal was even less likely to entice the Italians than the earlier ones. Not only would the stipulation that their claims would only be discussed once the Allies had won the war, and were therefore in a predominant position, have awakened the suspicion in the Italians that the western European powers had little intention of making any serious concessions, but it would have seemed even more ridiculous in late May that the British and French, rather than the Germans, would be deciding the fate of Europe at a peace conference than it did in April. Moreover, though less importantly, the fact that the approach was to be made by Roosevelt rather than by the Allies themselves threatened to create concern in Rome as to the offer's genuineness.

It was presumably reflection upon these points that led to the War Cabinet's decision of 25 May to inform the Italians directly that the British Government was willing to discuss their claims forthwith. After all, if an offer to enter into political talks was to avert, or at least delay, Italian

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[1]PRO CAB 65/7, 138th Meeting, 25 May 1940, 8th minute.

intervention, it had to be accepted by Rome, and a direct expression of willingness to enter into discussion now, while the Allies were in difficulties and therefore more likely to offer concessions, would clearly have more chance of appealing to the Italian Government than indirect suggestions that the Allies would consider its claims after the war.

Interestingly, the French also concluded on 25 May that an offer to discuss Italian claims only at the end of the war was pointless. That evening, therefore, Paris put forward the proposition that Roosevelt be asked to suggest to the Italians that the Allies were prepared to discuss their claims straightaway rather than, as originally planned, at the peace conference, and, having decided earlier that day to offer Rome immediate political talks directly, the British unsurprisingly accepted the French proposal to offer such talks indirectly.[1]

The very next day, 26 May, the issue of discussing Italy's claims with Rome took on a radical new direction. Reynaud made an unscheduled visit to London to meet Churchill, explain to him the direness of the situation in France, and put forward a plan which the French hoped would enable the Allies to get out of their current predicament. What the French Premier proposed was that Britain and France should make a direct joint approach to Mussolini warning against the dangers of allowing the Germans to establish their dominance in Europe and promising positive consideration of Italian political and territorial claims in return not only, as hitherto, for a pledge to keep out of the war, but, more importantly, for an undertaking by the Duce to act as mediator between the Nazis and the Allies in reaching a negotiated settlement of the war that safeguarded the independence and security of the western European powers.[2]

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[1]Woodward, 1, pp.234-5.

[2]PRO CAB 65/13, 140th Meeting, 26 May 1940, 1st minute, CAB 66/7, Paper 170, 26 May 1940, p.1 & BUL NC 2/24A, diary entry for 26 May 1940.

Initially, British views of Reynaud's scheme were mixed. Loraine considered that 'any further approach would only be interpreted as a sign of weakness and would do no good', but Greene felt that the plan was at least worth trying.[1] Of the War Cabinet members, Halifax was the keenest to pursue the French policy,[2] though he felt that it would have 'only a very slender chance of success'.[3] Arthur Greenwood, the new Minister without Portfolio, at this stage broadly shared Halifax's view, but Chamberlain was only prepared to consider Reynaud's plan if Mussolini could show that he was capable of taking a line independent of Hitler and of acting as a genuine force for balance at the negotiating table, which the Lord President of the Council doubted he could.[4] Although Chamberlain in his diary records Churchill stating that 'if we could get out of this jam by giving up Malta and Gibraltar and some African colonies he would jump at it', this was perhaps more a cry of exasperation than a serious statement of policy. In Cabinet, the Prime Minister certainly vigorously opposed efforts to seek peace terms. Attlee, the new Lord Privy Seal, made hardly any comment about Reynaud's proposals, though, according to Chamberlain, he 'seemed to be with Winston'.[5]

As the only member of the War Cabinet to take a firm position on the French scheme at this stage, Churchill had little trouble convincing his colleagues to defer a final decision until it was seen how much of the Army could be rescued from Dunkirk, the evacuation from which was just beginning.[6] Reynaud was therefore informed that the British 'would try and

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[1]PRO CAB 66/7, Paper 170, 26 May 1940, p.3.

[2]PRO CAB 65/13, 140th Meeting, 26 May 1940, 1st minute.

[3]PRO CAB 66/7, Paper 170, 26 May 1940, p.2.

[4]PRO CAB 65/13, 140th Meeting, 26 May 1940, 1st minute.

[5]BUL NC 2/24A, diary entry for 26 May 1940 & PRO CAB 65/13, 140th Meeting, 26 May 1940, 1st minute.

[6]PRO CAB 65/13, 140th Meeting, 26 May 1940, 1st minute.

find some formula on which Musso could be approached but we must have time to think'.[1]

The War Cabinet discussed Reynaud's scheme again the next day, when it was revealed that Paris now wanted to be geographically specific in offering concessions to the Italians, but this was strongly opposed on the grounds that it would only encourage Mussolini to ask for more than the Allies were prepared to offer. Chamberlain then disclosed that since the matter had been discussed the previous day, Loraine had reported that the Germans were believed to have informed the Italians that they no longer wanted them to enter the war as they could deal with France satisfactorily alone and would prefer to keep Italy as an avenue for supply, and, in the light of this, the former Prime Minister argued that the French plan 'would serve no useful purpose'. Halifax, however, had decided since the previous day to back Reynaud's scheme more forcefully and now strongly urged that the British should go along with it, but Churchill fiercely opposed him, arguing that unless the British showed Germany that it could not defeat them, any peace terms offered by Hitler were bound to be unacceptable (i.e. they would fail to safeguard British independence and security). With the Foreign Secretary unable to find any support for his position from the rest of the War Cabinet, the Prime Minister won the day and got his colleagues to agree to the drafting of a statement to be made to the French opposing Reynaud's plan on the grounds that, as Roosevelt had now agreed to make a demarche in Rome as recently requested by the Allies, an Anglo-French approach at the same time would only annoy the Americans, confuse the Italians, and create an impression of Allied weakness.[2]

In the wake of Belgium's decision to capitulate the previous night, Reynaud's proposals were discussed by the War Cabinet for the third time in as many days on 28 May. It was revealed

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[1]BUL NC 2/24A, diary entry for 26 May 1940.

[2]PRO CAB 65/7 & 13, 142nd Meeting, 27 May 1940, 1st minute.

that Vansittart had concluded from a discussion with an undisclosed member of the Italian embassy in London that a clear indication that Britain would like to see mediation by Italy would be favourably received at the embassy, but this made little impression. Once again, Halifax was the only member of the War Cabinet to support the French plan, though he did so less vigorously than on the previous day. His main contention was that the Allies should at least try to find out what peace terms Mussolini could wring from Hitler in the knowledge that they could reject them if they were unacceptable, but, yet again, Churchill strongly opposed such a policy, as he was convinced that there was no chance of the Allies being offered acceptable terms in present circumstances and feared that, if Britain became embroiled in peace efforts, it would undermine resolve to fight on and might lead to a situation in which London's refusal of certain points could lead to charges of bad faith from Paris. As on 27 May, the rest of the War Cabinet supported the Prime Minister and the decision to reject the French scheme, at least until there was a good prospect of an acceptable peace being negotiated, was therefore confirmed.[1]

Churchill duly wrote to Reynaud after the meeting to explain the British decision. He emphasised the belief that acceptable terms could not be wrought from Hitler at present and referred to the damage that might be caused to Allied morale by any attempt to engage in peace moves. He was also able to point out that Roosevelt, having now made his approach on behalf of the Allies, had 'received a wholly negative reply'. 'Therefore, without excluding the possibility of an approach to Signor Mussolini at some time, we cannot feel that this would be the right moment'.[2] There would be no Italian-sponsored peace conference.

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[1]PRO CAB 65/7 & 13, 145th Meeting, 28 May 1940, 1st minute.

[2]Churchill, W.S., Their Finest Hour (London, 1949), pp.114-15.

Despite the rejection of Reynaud's scheme, however, the War Cabinet's offer of 25 May to enter into political talks in the hope of thereby forestalling Italian intervention still stood. Indeed, Halifax had informed Bastianini of the offer that same day,[1] and had felt that his demarche had gone quite well,[2] though the press attaché at the Italian embassy had told Gladwyn Jebb, a senior figure at the Foreign Office, that the approach had left a bad impression, as no concrete proposals had been made, and that what was required was immediate satisfaction of Italian claims.[3]

Nothing more was heard from the Italians on the subject of British willingness to discuss their claims by 28 May, when Ciano informed Loraine that all negotiations between the Allies and Italy were being severed. Later that day, with approval from Halifax, Loraine asked Ciano specifically whether there was any answer to the approach to Bastianini of 25 May, only to be told that it fell under the general ban on negotiations.[4] British efforts to avert, or at least delay, Italian intervention with the offer of political discussions had failed.

In reality, however, the prospects of Mussolini agreeing to discuss Italian claims at the last minute had never been very good anyway. Representatives of the Italian Government in both London and Paris had certainly urged the Allies to make concrete proposals in regard to Italy's claims, but this had been done without instructions or indications from Rome.[5] Indeed, Ciano had explicitly told Loraine in early May that 'Mussolini would reject and resent anything that looked like an attempt to bribe him away from his obligations to Germany,

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[1]PRO FO 371/24958, R6198/438/22, telegram to Loraine, 26 May 1940.

[2]Cadogan, Diaries, 25 May 1940, p.289.

[3]Dilks, D. (ed.), The Diaries of Sir Alexander Cadogan 1938-1945 (London, 1971), p.290.

[4]Woodward, 1, p.205.

[5]Guariglia, pp.155-7.

and was particularly sensitive on this point'.[1] Moreover, although Mussolini's aim was to increase Italian territory and influence, something which could have been achieved at less cost and risk through a deal than as a result of combat, a bilateral agreement with the Allies which secured gains for Italy in return for allowing Germany's enemies to devote all their attention to fighting the *Wehrmacht* was hardly likely to be well received in Berlin. As Cadogan pointed out, though interestingly only after the Duce had rejected Roosevelt's approach on behalf of the Allies at the end of May,

> of course Mussolini is not going to, and, in fact, dare not make any separate agreement with the Allies, even if he wanted to. He is simply wondering how much of the general 'share-out' he will be allowed by his 'Ally' to take, and whether he will ultimately get more, or less, by spilling Italian blood for it.[2]

Although, Rome's opposition to a separate agreement with the democracies in May 1940 is thus clear, it is less obvious how Mussolini would have reacted had he been approached by the Allies to mediate a peace settlement with Hitler in return for promises to meet Italian claims. The Duce had, of course, unsuccessfully offered Chamberlain his services as a go-between with Hitler back in early April, and Renzo De Felice has argued that Mussolini might well have been prepared, even perhaps was hoping, given Italy's military weaknesses, to mediate a general European settlement in return for political and territorial gains as late as 27 May.[3]

Doing a deal with the Allies to play the role of mediator would have precluded Italy from intervening militarily at the very time when the *Wehrmacht*'s stunning success in north-west Europe had opened the way for Italian intervention, however, and this would almost certainly have ensured the Duce's rejection of any efforts to reach such an agreement.

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[1]PRO FO 1011/69, 'Report on Mission to Italy' by Loraine, 12 August 1940, para.124.

[2]Dilks (ed.), Cadogan Diaries, p.291.

[3]De Felice, Mussolini, pp.833-4.

Mussolini's burning desire to lead Italy in war has already been referred to several times, and it is important to note that on the day the Italian High Command was formed, with the Duce rather than the King at its head, Ciano wrote in his diary, 'Rarely have I seen Mussolini so happy. He has realized his dream: that of becoming the military leader of the country at war'.[1] The Duce, moreover, considered it important that any political and territorial gains Italy made should come after a war, rather than as a result of a deal,[2] and believed that a short, victorious conflict was the best means of undermining the last remaining internal checks on his power from the Monarchy and the Church.[3] It thus seems clear that Mussolini's overriding aim in May 1940 was to intervene militarily. After all, one would have expected that if he had been hoping to mediate a general peace settlement, he would have taken steps before he committed Italy to military intervention at the end of May to make his willingness to do so known to both the Germans and the Allies, particularly as Guariglia, the Italian ambassador in Paris, reported in mid May, albeit rather exaggeratedly, that the French seemed to be prepared to cede almost all their empire forthwith if the Duce could help them to get out of their terrible predicament.[4]

Even had Mussolini been amenable to the idea of mediating a general European settlement in return for Allied political and territorial offers, though, it is extremely unlikely that he would have been happy with the type of concessions it appears the British would have been prepared to make. When Paris was considering offering concessions to Italy in late May 1940, it believed that major compromises would have to be made and was prepared to make them. A programme drawn up by Daladier on 27 May incorporated huge territorial concessions to the south of Libya, cession of practically all of French Somaliland, and

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[1]Ciano, Diary, 29 May 1940, p.256.

[2]Mack Smith, Mussolini, p.290.

[3]Knox, Mussolini Unleashed, p.102.

[4]Quartararo, Roma, p.615.

even Franco-Italian condominium over Tunisia.[1] The British, however, in the absence of a positive response to Halifax's demarche to Bastianini of 25 May or to Roosevelt's approach two days later, never drew up a programme of concessions they would be prepared to make, but seem to have been no more inclined in May 1940, in spite of the disastrous military situation, to make major political and territorial concessions to Rome than they had been hitherto. London was aware that what the Italians really wanted from the British was free access to the oceans. There was influential support within the Foreign Office for some kind of concession to Rome on this point, such as Italian membership on the Suez Canal Board and even the cession to Spain of Gibraltar, but only provided, and this is crucial, that Britain got Ceuta, the other Pillar of Hercules, in return. These would have only been superficial changes, therefore, designed to give the impression rather than the substance of major concessions, as the Royal Navy would have retained its control of the exits from the Mediterranean through bases in Egypt and Spanish Morocco. It was the release of this control that the Italians really wanted, but that was something the British were not prepared to offer short of total defeat in war.[2]

On 30 May, the French proposed a joint approach to Mussolini for the last time, even though all negotiations with Italy had been severed and Ciano had explicitly told the French ambassador in Rome that Mussolini would decline to enter into negotiations with the French even if they offered to cede Tunisia, Algeria and Morocco. No long debate was provoked this time. The War Cabinet simply agreed with Halifax that it was useless to try to restrain the French from making a unilateral demarche aimed purely at averting Italian intervention if they so wished, provided that the British were

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[1]Shorrock, p.282.

[2]PRO FO 371/24958, R6198/438/22, minute by Nichols, 22 May 1940 & Dilks (ed.), Cadogan Diaries, p.290.

not committed by anything they might offer the Italians.[1] With British assent, therefore, the French made their final approach to keep Italy out of the war on 1 June, and, as Ciano had warned it would be, it was sharply rebuffed.[2] Having finally taken the decision to commit Italy to entering the war, Mussolini was not about to be diverted from his course.

Countdown to War in the Mediterranean

With the possibility of France falling becoming disturbingly real, the COS addressed the issue of strategy 'in a certain eventuality', a euphemism for the collapse of French resistance, in a crucial memorandum dated 25 May. The paper's key message was that Britain could, and should, fight on against Germany even if France fell, but, only slightly less importantly, the COS took this opportunity to urge that, in continuing the fight alone, 'We should endeavour to maintain our position in all our overseas possessions' as well as defending Britain itself. If Paris surrendered, the COS were sure that Italy would intervene and expected that a joint Italo-German effort to overthrow Britain's position in the Mediterranean and Middle East would follow. The situation in the region would undoubtedly be grim, but it was considered vital, primarily in the interests of economic warfare, that every effort be made to retain control of ingress to and egress from the inland sea at both its western and eastern ends. The War Cabinet approved the COS paper on 27 May, and, by so doing, made the resolution, so critical to the future of the war, that, even without the French, Britain would stand and fight in the Mediterranean and Middle East.[3]

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[1]PRO CAB 65/7, 148th Meeting, 30 May 1940, 5th minute & 146th Meeting, 29 May 1940, 10th minute.

[2]PRO CAB 65/7, 152nd Meeting, 2 June 1940, 4th minute.

[3]PRO CAB 66/7, Paper 168, 25 May 1940 & Bell, P.M.H., A Certain Eventuality: Britain and the fall of France (London, 1974), pp.49-50. A telegram despatched to the Cs-in-C in the Mediterranean and Middle East at the start of July, in the wake of France's surrender, confirmed that Britain's position in the theatre was to be maintained to the best ability of the forces deployed there and promised reinforcements once the threat of invasion of the home islands had diminished (Butler, Grand Strategy, pp.305-6).

War with Italy had not yet broken out, however, and, in the short period leading up to its eruption, the British Government had to decide how it should conduct its relations with Rome. According to Loraine, there were four broad policy options open to it. These were:

> (a) to take all military precautions, but to leave the moment of the commencement of hostilities to Mussolini.
> (b) to offer concrete concessions to Italy on a very large scale in a desperate last attempt to induce the Duce to break from Germany.
> (c) to restrict supplies to Italy of raw materials for armaments and of deficiency commodities.
> (d) to issue an ultimatum to Mussolini demanding that he explain Italy's military preparations or face the consequences.[1]

As we have seen, there was little or no support in the British Government for option (b), and, as for option (d), in order to demand that Turkey fulfil its treaty obligation to intervene in the looming war in the Mediterranean, the Allies needed to be able to demonstrate that Italy was clearly the aggressor,[2] something which the issuing of an ultimatum to Rome would obviously undermine. Halifax therefore explained to the War Cabinet on 31 May that current policy was a mixture of (a) and (c), and urged that this should remain so. The War Cabinet, without difficulty, agreed.[3]

Option (a) had, of course, effectively been in operation since April, and, by the end of May, all three Services were on alert for war with Italy to break out at any moment and frontiers were being patrolled.[4] For the Foreign Secretary to have informed the War Cabinet that Britain was also pursuing option (c), however, seems rather bizarre in the light of the recent modifications made to economic control in the Mediterranean, but, in reality, it was not. Although the Butler Committee initially agreed, as it put it, that 'it

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[1]PRO CAB 65/7, 149th Meeting, 31 May 1940, 7th minute.

[2]PRO FO 371/24944, R6067/58/22, minute by Sargent, 14 May 1940.

[3]PRO CAB 65/7, 149th Meeting, 31 May 1940, 7th minute.

[4]Playfair, p.98.

would be a mistake to answer petulance by petulance',[1] steps had been taken almost as soon as negotiations with Italy had been broken off on 28 May to prevent the Italians from obtaining raw materials and other goods of military importance from British, Imperial and Allied sources, and to reconsider urgently the whole issue of blockade policy in the Mediterranean.[2] As a result, Hugh Dalton, the new Minister of Economic Warfare, asked the War Cabinet for permission on 2 June to intercept Italian ships carrying key war materials being imported in amounts far exceeding pre-war requirements, in effect a system of forcible rationing. Such a step had been eschewed by the British Government since the start of the war for fear that it would provoke immediate Italian intervention, but now, with Italy's imminent entry into the war a certainty anyway, the War Cabinet approved Dalton's request, provided the French also agreed to it.[3]

The French did not reply until 5 June, but it was in the positive. The War Cabinet therefore confirmed its earlier decision to authorise the interception of Italian ships carrying key war materials being imported in amounts far exceeding pre-war requirements, this action to be justified to the world at large as based upon belligerent rights of contraband control rather than indications of imminent Italian intervention. The Italian Government was to be given no prior warning and merchant vessels were to be stopped even if escorted by warships, to counter the threat of which a battleship and a cruiser had been ordered to Gibraltar.[4] The next day, at the suggestion of Halifax and Dalton, the War Cabinet extended its decision to intercept certain Italian ships to cover all Italian ships, inward or outward bound, on

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[1]PRO FO 837/500, minute by Drogheda, 29 May 1940.

[2]PRO CAB 68/6, Paper 162, 4? June 1940, p.2.

[3]PRO CAB 65/7, 152nd Meeting, 2 June 1940, 4th minute.

[4]PRO CAB 65/7, 155th Meeting, 5 June 1940, 1st minute & 154th Meeting, 4 June 1940, 6th minute.

the grounds that this would be easier to explain and justify as a reversion to standard economic control practice.[1]

On 8 June, the War Cabinet tightened British control of Italian shipping still further with the decision to order the diversion of the SS *Umbria*, reported to be carrying to Italian East Africa 5,000 tons of bombs, 15 tons of detonators, and 1,750 tons of cement, none of it liable to seizure under international law, into Port Sudan, where she would be detained, at least temporarily. Two days later, the decision regarding the *Umbria* was taken to its logical conclusion with the order that steps should now be taken whenever possible to bring all Italian ships into control ports and to detain them there for the time being on some pretext connected with contraband control.[2] At the moment the Italians intervened, therefore, the machinery of economic control was already beginning to operate as if Italy were a belligerent.

At 4:45pm on 10 June, at long last, Ciano informed Loraine that Italy would consider itself at war with Britain from 12:01am the next day. When asked if this unconventional approach was to be interpreted as a declaration of war, Ciano replied that it was. A similar communication was made to the French ambassador. Later that day, Mussolini addressed the Italian people, informing them of the declarations of war and stating that Italy had no intention of attacking any of its neutral neighbours.[3]

The breach that the British Government had laboured so hard to avoid had finally been made, but rather than being met with consternation and alarm, as it might have been had it come a

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[1]PRO CAB 65/7, 156th Meeting, 6 June 1940, 6th minute.

[2]PRO CAB 65/7, 158th Meeting, 8 June 1940, 5th minute & 160th Meeting, 10 June 1940, 6th minute.

[3]PRO FO 434/7, Part XXII, Nos. 51 & 53, telegrams from Loraine, 10 June 1940.

month or two earlier, it was met with fortitude and stoicism.[1] With their backs firmly against the wall, and heartened by Roosevelt's promise in the wake of Italian intervention that the USA would henceforth give the Allies all the material aid it could,[2] the British, under Churchill's resolute leadership, were discovering a grim determination to fight on at all costs. Mussolini had miscalculated in believing that the war did not have long to run in the early summer of 1940 and, consequently, Italian intervention would lead the Duce, his regime, and his country not to glory and expansion, but to defeat and disaster.

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[1]BUL NC 2/24A, diary entry for 11 June 1940. See also the reaction in both houses of parliament in Parliamentary Debates, House of Commons, 5th Series, Vol. 361, 11 June 1940, cols.1163-9 & House of Lords, 5th Series, Vol. 116, 11 June 1940, cols.517-23, and details of a speech broadcast to the nation by the Minister of Information in response to Italy's declaration of war in The Times, 11 June 1940, p.3, col.5.

[2]Churchill, War Papers - Vol. 2, Churchill to Roosevelt, 11 June 1940, p.287.

CHAPTER EIGHT - CONCLUSIONS

General Thoughts on British Policy Towards Italy

In their bid to strengthen Italian neutrality from September 1939 to June 1940, three broad options were open to the British and their French allies: an attempt to buy permanent Italian neutrality or alliance by means of major political and/or territorial concessions to Rome; the adoption of a hard-line stance aimed at intimidating the Italian Government into maintaining its aloofness from the conflict; and a more passive approach, seeking through an attitude of goodwill and compromise to leave the way open for Rome to gravitate increasingly towards the western European powers as strong anti-German sentiment in Italy, insensitive German behaviour towards Rome, and the anticipated growth in Anglo-French military strength *vis-à-vis* Germany as the war progressed weakened Italy's alliance with the Third Reich and encouraged either permanent Italian neutrality or intervention on the side of the western European democracies.

The British believed, or at least hoped, that, so long as the Allies did not antagonise the Italians or do anything to provoke Italian intervention, material factors, such as the opposition of the bulk of the Italian people to war and Italy's lack of preparedness for a major conflict, would be sufficient to restrain Mussolini from endeavouring to enter the struggle. For almost all of the period of Italian non-belligerence, that is from the start of the war to late May 1940, the British Government therefore placed its faith in the third of these options. To be sure, London introduced elements of the first and second of these options into its policy in spring 1940, but the institution of a more vigorous form of military deterrence in the Mediterranean and Middle East from April 1940 was rather limited and did not signify much of a change in policy overall, and the effort to preserve Italian neutrality by offering to discuss political issues with Rome in late May was very much a last ditch effort. These measures have already been discussed in some detail, so this concluding chapter will focus upon assessing, in the

context of the other options open to London as well as on its own, what predominantly characterised British policy for dealing with Italian non-belligerence; the adoption of an attitude of goodwill and compromise aimed at avoiding provoking Italian intervention and enabling Rome to move closer towards the Allies as the war progressed.

This approach is certainly open to criticism. For example, some historians have questioned its passivity and what they see as the complacency of the British in assuming, at least before spring 1940, both that material factors would ensure continued Italian neutrality, so long as Rome was not provoked, and that Italy would drift away from Germany over time.[1] There is an element of validity to this charge, as the occasional over-optimism of British views of the trend of Italian foreign policy highlights, but it ignores the fact that the grounds upon which it was assumed that Italy would remain neutral and would drift apart from Berlin were by no means unreasonable, as we have seen, and also disregards the solid arguments put forward by the British against the adoption of a more active policy towards Italy.

In any case, British policy towards Italy was far from entirely passive. In spring 1940, many active attempts to preserve Italian neutrality were made, but, even before this, there was the effort to expand Anglo-Italian trade aimed at raising the probability of Italy remaining aloof from the war by increasing Italian reliance upon Britain as an economic partner and demonstrating the profitability of neutrality.

The decision to base active efforts to strengthen Italian neutrality for most of the non-belligerence period upon attempts to increase trade with Italy can be criticised on several grounds, however. First, as Patrizi warned the British in February 1940, Italy was too weak economically to expand its export trade greatly enough to 'cash in' on

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[1]See, for example, De Felice, Mussolini, pp.737-8 & Shorrock, pp.276-7.

neutrality to any major extent.[1] Second, it was generally a lengthy process to secure trade agreements and then for the full impact of those agreements to take effect. The Americans, for example, had tried to make trade deals with Nazi Germany in the late Thirties in an effort to encourage Hitler towards peace, but these had been unsuccessful, partly because, as Roosevelt commented, 'These trade treaties are just too goddamned slow, the world is marching too fast. They're just too slow'.[2] Third, much as Britain's attempts to increase its trade with Italy were appreciated by many Italian industrialists, agriculturalists, and even Fascist ministers, the man ultimately responsible for Italy's decision whether to intervene or not, Mussolini, showed little interest in the possibilities of financial profit opened up by non-belligerence.[3] Finally, and, as Robert Mallett has quite rightly argued, most importantly,[4] one must consider the German factor. As we have seen, the Germans played a key role in scuppering the comprehensive British scheme for agreement with Italy on economic issues in February 1940 and crucially followed this up by arranging for the provision via land of almost all Italy's coal requirements. Indeed, Mallett argues that the existence of the alliance with Berlin and the Duce's commitment to it meant that an Anglo-Italian economic agreement that greatly assisted the British war effort could never have been reached.[5] In the light of Italy's agreement with France, this is perhaps overstating the case somewhat, but the fact remains that, by seeking to reach an agreement which would incorporate the open sale of arms to Rome's ally, London was certain to spur the Germans into actively opposing

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[1]PRO FO 371/24938, R2054/58/22, minute by Martelli, 12 February 1940

[2]As cited in Schmitz, D.F., The United States and Fascist Italy, 1922-1940 (London, 1988), p.195.

[3]Kirkpatrick, Mussolini, p.413.

[4]Mallett, 'Anglo-Italian War Trade Negotiations', pp.137-67.

[5]Mallett, 'Anglo-Italian War Trade Negotiations', pp.160-1.

their endeavours by means of pressure and the offer of alternative arrangements for meeting Italian requirements, in which circumstances, Italy was always more likely, for economic, political and psychological reasons, to choose to strengthen its economic relations with the Reich rather than Britain.[1]

The way in which the British set about trying to increase Anglo-Italian trade can also be criticised. By endeavouring to expand trade with Italy predominantly at the expense of Italo-German commerce, restricting Italian access to many of the goods from British and Empire sources in the quantities the Italian Government wanted, and taking a firm line on the issue of the form of payment for goods, London protected its financial and economic warfare interests but undermined yet further the already questionable prospects of its efforts to expand trade with Italy cementing Italian neutrality.

All these criticisms are valid, but, in defence of the British Government, the following two points must be made. First, in regard to the decision to base active efforts to strengthen Italian neutrality for most of the non-belligerence period upon attempts to increase trade with Italy even though the prospects of success were not good, one can argue that, given the refusal to adopt a wholehearted policy of deterrence or to engage in political talks before late spring 1940, London had few other options open to it were it to attempt actively to strengthen Italian neutrality. Second, in response to the charge that the British undermined the prospects of success of their trade policy yet further, it must be pointed out that even the success of French efforts to expand their trade with Italy greatly during the non-belligerence period, which was achieved largely at the expense of Allied financial and

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[1]Theoretically, the British might have tried to buy large quantities of arms from Italy in secret, thereby perhaps avoiding vigorous German efforts to scupper their plans, but this was impractical within the context of a comprehensive agreement. After all, how would the Italians have explained to Berlin how they were managing to continue to meet their requirements of coal in the wake of the cessation of seaborne German supplies?

blockade interests, failed to prevent Italian intervention. This surely suggests that the British were right to safeguard their economic warfare and fiscal interests, in spite of the impact of so doing upon their trade policy, as it meant that Britain lost little from endeavouring to increase Anglo-Italian trade.

The general policy London adopted towards non-belligerent Italy has also been accused of being too weak and appeasing for the Allies' good.[1] Certainly, Britain conducted its relations with Italy in a generally more appeasing manner than it did those with the other Great Power neutrals, Japan, the USA, and the USSR, but London had reasons for considering that it could afford to be less conciliatory with these other states. In the case of Japan, the possibility of Tokyo attacking British or French possessions in the Far East and aligning itself with Berlin was felt to be small while the detested Nazi-Soviet Pact was in force and, even more important, while the Japanese remained deeply embroiled in China. As for the USA, the British Government knew that the vast majority of Americans wanted the Allies to win and so felt able to presume upon Washington's goodwill to some extent. In any event, British policy towards the Japanese and Americans was not that much firmer than that towards the Italians, specific concessions being made over the blockade to Tokyo and Washington as well as to Rome, for example. Policy towards the Soviets during the first and last weeks of the period of Italian non-belligerence was also moderately forthcoming, though from early December 1939 to late March 1940, it became considerably tougher, aid being sent to the Finns and consideration being given to the bombing of oilfields in the Caucasus, for instance, both of which carried with them the threat of war with Russia. This stance was based, however, upon beliefs prevalent within the British Government during the Russo-Finnish War that there was little point in trying to effect a rapprochement with the Soviets, as they were no different in their outlook, methods and aims than

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[1]See, for example, Dalton, H., The Fateful Years: Memoirs 1931-1945 (London, 1957), p.339.

the Nazis, and that Russian military capabilities were not great, which meant that war with the USSR, though not desirable, was worth risking if the potential gains of so doing were considered to be great enough.[1] In contrast to the above, Italy was not as furiously upset as Japan by the Nazi-Soviet Pact, was not already embroiled in a major war, was not essentially favourable to the Allied cause, but was equally considered not to be totally alienated from it, and, albeit perhaps bizarrely with the benefit of hindsight, was deemed capable of complicating the western European powers' military predicament more seriously than the USSR. It was therefore only logical that Rome should be treated with greater care than Tokyo, Washington, and Moscow.

In any case, the cost to the British of the more conciliatory policy it pursued towards Italy was not great. For example, although the desire to improve relations with Rome led to a number of concessions being made over the blockade, these were generally minor and did little to undermine vital Allied interests or create an impression of British weakness.[2] Certainly, the abandonment of contraband control within the

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[1]For British policy towards Japan, see Woodward, L., British Foreign Policy in the Second World War - Vol. 2 (London, 1971), pp.85-92, Best, A., Britain, Japan and Pearl Harbor: Avoiding war in East Asia, 1936-41 (London, 1995), pp.87-110 & Lowe, P., Great Britain and the Origins of the Pacific War: A study of British policy in East Asia 1937-1941 (Oxford, 1977), pp.103-35.

For policy towards the USA, see Woodward, 1, pp.155-74, 333-46, Reynolds, D., The Creation of the Anglo-American Alliance, 1937-41: A study in competitive co-operation (London, 1981), pp.63-120 & Rock, W.R., Chamberlain and Roosevelt: British foreign policy and the United States, 1937-1940 (Columbus, 1988), pp.209-91.

For the USSR, see Woodward, 1, pp.31-42, 106-113, 453-61, Kitchen, M., British Policy Towards the Soviet Union During the Second World War (Basingstoke, 1988), pp.1-31 & Keeble, C., Britain and the Soviet Union, 1917-89 (Basingstoke, 1990), pp.158-63.

[2]For instance, although the hold-back guarantee system reduced the Allies' physical control over contraband, and thus made it practically easier for material to slip through to the enemy, neutrals would generally return goods to the Allies when requested so as to avoid problems in the future (Medlicott, p.89).

Mediterranean in May 1940 can hardly be seen as a minor concession, but it must be remembered that this was envisaged as only a short-term measure and that control was still exercised on the bulk of goods entering the inland sea at the source of supply. In any case, Italy was extremely cautious in breaking the blockade for fear of Allied countermeasures which would impede its own rearmament programme.[1] Some assistance in getting around the blockade was undoubtedly given to Germany by the Italians, such as with the export by air of high value, small bulk goods to Iberia and Latin America via Italy,[2] but, overall, and in spite of the growing concern in London and Paris in spring 1940 about the level of assistance being given by Rome to Berlin in breaking the blockade, the Third Reich gained little economic advantage from Italy's non-belligerence.[3]

In the realm of military affairs also, British policy towards Italy has been attacked as too appeasing for Britain's good. Wavell wrote towards the end of 1940, for example, that 'Preparations against the eventuality of ITALY joining in the war were considerably hampered by the instructions received from the Home Government that nothing whatever was to be done that might impair our relations with ITALY'.[4] There is undoubtedly some truth to this, but one must not forget that it was in late 1939-early 1940 that the administrative plans for a large expansion of British land and air forces in the Middle East were drawn up, approved and initiated, something which led the official historian of the war in the Mediterranean and Middle East to conclude that the British benefited greatly from Italy's period of non-belligerence.[5] In any event, the success that Britain's armed forces enjoyed

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[1]Schreiber, Stegemann & Vogel, p.37.

[2]Medlicott, p.119.

[3]Schreiber, Stegemann & Vogel, pp.36, 50.

[4]PRO ADM 199/799, 'Despatch on Middle East Operations' by Wavell, 10 December 1940, p.3.

[5]Playfair, p.40.

once the fighting actually started in the theatre demonstrates that they did not suffer in any serious way from problems with preparation.

The British Government's determination to avoid provoking Rome also played a very important part in determining Allied strategy in the early stages of the war by resolving London to oppose French plans for a landing in the Balkans. It must be remembered that there were serious military objections to this operation as well, though, and even its greatest advocate, General Weygand, later acknowledged in his memoirs that it was unlikely to have been a success.[1] In the light of how disastrously events turned out when the British deployed large forces to Greece in 1941, moreover, it was perhaps very much to the Allies advantage rather than detriment that the British desire not to antagonise the Italians was strong enough to prompt them to resist Paris' schemes as forcefully as they did.

Thus, overall, the general policy the British adopted for dealing with Italian neutrality did not create a dangerous impression of weakness or do any great harm to the Allied war effort. Indeed, London was always keen in conducting its relations with Rome to safeguard what it perceived to be its vital interests and to avoid any overly strong impression of weakness, as is further shown, for example, by its trade policy towards Italy and the handling of the issue of political discussions.

A final criticism of the approach taken by London for dealing with Italian neutrality is that the British were naive in hoping that an attitude of goodwill and minor concessions would have much impact upon the men who formulated Italian policy, especially the Duce. Given the fact that Rome moved closer to Germany from early 1940 despite continued Anglo-French cordiality, this would certainly seem to be a legitimate accusation, but it must be borne in mind that

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[1]Weygand, Recalled to Service, p.38.

Italo-Allied relations did improve in the final months of 1939 and that Ciano told Loraine shortly after the war started that each example of British goodwill helped him with Mussolini.[1] Even when Italian policy began to develop along lines distinctly unfavourable to the Allies, moreover, the continuation of the attitude of friendliness was not so much down to naivety, at least from late March 1940, as the belief that to adopt a more hostile demeanour would only exacerbate the situation and might even provoke Italian intervention by giving the Duce a reason with which to explain to those who still opposed entry into the war why Italy must now fight.

A strong defence can therefore be made against criticism of the policy the British Government adopted towards Italy from the start of the war to late May 1940, but, in the final analysis, that policy still failed to achieve its prime objective, the prevention of Italian intervention on the side of Germany. The reason for that failure does not lie primarily with British policy, however. To be sure, Loraine commented in his diary on 11 June 1940 that, 'If anything lost us the chance of keeping Italy out of the war it was M.E.W. & the Contraband Committee. Myself I think they did', but the dispute over the blockade, damaging as it undoubtedly was to Anglo-Italian relations, can surely not be blamed for Italy's entry into the war, for, as Sir Percy indeed noted shortly after his comment above, Mussolini 'never meant to allow my mission to succeed'.[2]

The Duce wanted from the very start of the war to intervene on Germany's side as soon as he could do so with a realistic prospect of success, and the fact that he retained this desire long enough to see it through unquestionably denotes a failure on the part of the British and their French allies. That failure was less diplomatic than military, however. Much as the western European powers suffered as a result of the ineffectiveness of their policy towards Italy in permanently

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[1]Dilks (ed.), Cadogan Diaries, p.209.

[2]PRO FO 1011/246, diary entry for 11 June 1940.

weakening the Axis and suppressing the Duce's desire to intervene, of even greater cost was the failure of their armed forces in the face of German aggression in spring 1940. Although Mussolini had been moving Italy steadily closer to intervention since the beginning of 1940, it was only the stunning success of the *Wehrmacht* in April and especially May that year that finally convinced him to risk entering the war and, perhaps equally importantly, broke almost all resistance in Italy to fighting. Had the Allied armed forces fared considerably better against the Germans and prevented the creation of a situation in which the Italians believed that they had the opportunity to wage the short-lived war that they considered they could cope with rather than a lengthy conflict that they knew they could not endure, the probability is surely that Italy would have continued to remain aloof from the struggle in the face of the massive material factors militating against intervention. It was the Allies' shortcomings on the battlefield more than in policy, therefore, that explain the failure of efforts to prevent Italy from entering the Second World War, for, as Sir Edward Grey, Britain's Foreign Secretary in the earlier global conflict, put it, 'Diplomacy in war is futile without military success to back it'.[1]

Other Policy Options Open to the British

Although a strong defence can be made of the policy London actually adopted towards Italy for the bulk of the period of non-belligerence, given the inability of that policy to prevent Italian intervention, it is important to consider policy options open to the British but not pursued by them to establish whether they would have been any more successful in avoiding Italy's entry into the war. Only then can a fully fair assessment of the approach London adopted be given.

The two obvious policy options rejected by the British Government were an active attempt to buy permanent Italian

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[1]As cited in Dilks, D. (ed.), Retreat from Power: Studies in Britain's foreign policy of the twentieth century - Vol. 2: After 1939 (London, 1981), p.2.

neutrality or alliance before late spring 1940 and the adoption of a wholehearted hard-line approach towards Italy aimed at intimidating Rome into remaining aloof from the conflict. There was a third option, however, which could have been exercised in conjunction with a policy of goodwill and compromise towards Italy, though not the Duce, but which London nevertheless eschewed. This was to take moves aimed at facilitating or encouraging the removal from power of Mussolini, and it is this option which will be considered first.

Moves to Topple Mussolini

Given that Mussolini was the major obstacle to any meaningful rapprochement between Italy and the Allies, and by far the most important factor propelling Rome towards intervention, facts of which the British were aware, it is perhaps surprising that more consideration was not given by London to moves aimed at removing the Duce from power, either by helping to engineer a coup by the Crown, the armed services or the anti-intervention moderates within the Fascist Party, or by encouraging a popular revolution. Had this been achieved, there can be little doubt that the prospects of success for the general policy Britain adopted towards Italy during the non-belligerence period would have improved considerably. That is not to say that Mussolini's removal would have led inevitably to alliance between Rome and the Allies, as such a development would have remained unlikely at least until fear of German military might in Italy had diminished,[1] but it would certainly have dramatically reduced the probability of the Italians intervening on Germany's side, for, as Noble commented in February 1940, 'there is no one else in Italy [other than the Duce] who would have a hope of bringing the country in on the same side as Germany and very few people who would want to'.[2]

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[1]Knox, Mussolini Unleashed, pp.48-9.

[2]PRO FO 371/24938, R1497/58/22, minute by Noble, 2 February 1940.

The idea of conspiring to remove the Duce from power was, as we have seen, only seriously mooted within the Foreign Office in early 1940, and was ruled out swiftly on the grounds that it would entail too great risks of provoking a definite split with Rome and a possible declaration of war. Besides, there was a belief in London at this time that the Duce might be forced to take a back seat anyway, due either to deteriorating health or to him being edged ever more into the background by the Ciano-led moderates within the Fascist Party. Even if this did not occur, moreover, the British still hoped in early 1940 that German insensitivity, anti-German feeling in Italy, and growing Allied military strength would lead Mussolini to distance himself increasingly from the Axis without any drastic measures having to be taken by the Allies.

There were thus good reasons to eschew any attempt to topple Mussolini, at least until it became clear by spring 1940 that the Duce was not drifting away from the Axis but strengthening it, and was not about to collapse due to ill health or be pushed aside by the moderates. With Germany beginning to take the upper hand in the war at this time, however, the British Government became even less willing to pursue policies that obviously risked provoking Italian intervention, and so gave no serious thought to efforts to bring about a change of leadership in Italy.

In any case, London's prospects of engineering Mussolini's removal from power during Italy's period of non-belligerence were minimal. The only basis upon which the British could realistically have hoped to encourage a coup or revolution was the possibility of imminent intervention which so many groups in Italy opposed, yet, before late March 1940, intervention did not seem imminent, or even guaranteed, and, by mid May, Germany's stunning successes were beginning to weaken opposition to it anyway. There was thus only a small window of opportunity, probably too small for anything concrete to be achieved, during which there was any real chance of British appeals for the Duce to be toppled receiving any kind of favourable hearing in Italy.

Even had the British endeavoured to spark a coup or revolution, moreover, they could surely have only fanned already existing flames, not started a fire of their own, yet there is scant evidence of any such flames to be fanned during the non-belligerence period. Ciano noted in his diary towards the end of September 1939, for example, 'Never has the country been more solidly behind the regime and the Duce. To speak of assassinations, plots, defeatism, etc., would be an attempt to give body to a shadow'.[1] Fascism retained popular support, moreover, until Italy began to suffer humiliating military defeats at the end of 1940, and, even then, Mussolini appears to have remained fairly popular for some time, with the blame for Italy's woes going primarily to his subordinates.[2] There was thus little popular desire to remove the Duce, but, even if there had been, almost twenty years of authoritarian and repressive Fascist rule had ensured that, to quote Sumner Welles, 'no effective means existed whereby the will of the Italian people could combat the fatal determination of their Dictator'.[3]

The possibility of a popular revolution against Mussolini, at least in the absence of any attempt by him to drag Italy into the war before the stunning German successes in April and May 1940 had softened up opposition to intervention, can therefore effectively be ruled out. So too can a Fascist-led coup. Although many senior Fascists, including Balbo, De Bono, and De Vecchi, the three surviving members of the quadrumvirate which had led the March on Rome, were strongly opposed to intervention,[4] the only one in any realistic position to oust the Duce was Ciano. However, despite his fierce opposition to the pro-German, pro-intervention line favoured by his father-in-law, and the fact that he entertained a desire to succeed him some day, Italy's Foreign Minister was ultimately

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[1]Ciano, Diary, 23 September 1939, p.157.

[2]Mack Smith, Mussolini's Roman Empire, pp.246-7.

[3]Muggeridge, M. (ed.), Ciano's Diary 1939-1943 (London, 1947), p.ix.

[4]Segrè, p.377.

furiously loyal to Mussolini, 'whom I love and to whom I owe so much', as he put it in his diary in early March 1940. Besides, Ciano lacked sufficient power independent of his father-in-law ever to attempt seriously to replace him,[1] and it was generally realised in any event that the continuation of Fascist rule in Italy was dependent upon Mussolini retaining his position as the Duce.[2]

A potentially more promising means by which Mussolini could have been removed from power during the period of non-belligerence was a coup by the Crown. Indeed, in March 1940, with Italian intervention becoming more likely in the near future, the King considered taking action 'to give things a different direction'.[3] It seems, however, that the action envisaged by Victor Emmanuel stopped far short of a coup, but instead merely involved getting the Fascist Grand Council to vote down Mussolini's proposed policy of entering the war. The probable effectiveness of such a move in the face of Germany's successes in May 1940 has to be questioned, and it was, in fact, these very victories that persuaded the King to drop any notion of taking action aimed at preventing Italian intervention.[4]

In the light of Victor Emmanuel's balking at a political intervention which was far less drastic than a coup, it seems

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[1]Knox, Mussolini Unleashed, pp.46-7 & Ciano, Diary, 7 March 1940, p.218.

[2]Gallo, p.312. It must be mentioned here that although senior Fascists, most notably Ciano, Grandi and Bottai, played a key role in bringing about the vote at the meeting of the Fascist Grand Council on 24 July 1943 that reduced Mussolini's dictatorial powers and reasserted the authority of the Fascist organs of state, parliament and the Crown, they only took such action after being dismissed from the government in February and their prime aim in taking it was to enable Italy to get out of the war rather then to overthrow the Duce, the actual removal from power of whom was effected by the King the following day (Cassels, A., Fascist Italy, 2nd edn. (Illinois, 1985), pp.107-9).

[3]Ciano, Diary, 14 March 1940, p.221.

[4]Mack Smith, Italy and its Monarchy, pp.287-8.

extremely unlikely that he would have been willing in 1939-40 to overthrow Mussolini in order to prevent Italy entering the war. His character was simply not suited to such bold action.

He loved the quiet life, disliked having to take responsibility for anything, and was almost always ultimately prepared to trust the Duce's judgment on important political issues.[1] He was concerned, moreover, about the possible repercussions of a coup, fearing that Mussolini's removal could open the way for republicanism in Italy[2] or that it would provoke the Germans into invading the country in support of pro-Axis factions.[3] Eventually, the King did dismiss the Duce, of course, though the fact that he only did so in July 1943, in the wake of the invasion of Sicily and after two years of mounting pressure, particularly from autumn 1942, to do something to get Italy out of the war and stop the ever increasing suffering it was imposing upon his country and people,[4] demonstrates perhaps better than anything else his reticence to act until he absolutely had to.

Victor Emmanuel may have had the constitutional authority to overthrow Mussolini, but the executive power to do so would have come from the armed services, most particularly the Army, whose first loyalty was undoubtedly to the King rather than the Duce.[5] Given that might is more important than right in effecting coups, there was therefore a possibility of Italy's armed services acting independently to remove Mussolini. As in all the other cases, however, that possibility was very small. Not only were the Italian armed forces 'by long tradition averse from political intervention', but Marshal Badoglio, their professional head, and therefore the man best able to engineer a military coup, was 'a dedicated careerist

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[1]Mack Smith, Italy and its Monarchy, p.282.

[2]Mack Smith, Italy and its Monarchy, p.294.

[3]Clark, M., Modern Italy 1871-1982 (London, 1984), p.296.

[4]Mack Smith, Italy and its Monarchy, pp.294-306.

[5]Overy & Wheatcroft, p.150.

who lacked initiative or backbone'.[1] This made him most reluctant to stand up to the Duce for long on any major political issue, and it is indeed this very quality which primarily explains his elevated position.[2] To be sure, Badoglio and Italy's Service chiefs were prepared to voice sufficiently strong opposition to Italian intervention to dissuade Mussolini from attempting to enter the war both in late summer 1939 and in April 1940, but this was done on purely practical grounds and so hardly constitutes a military challenge to the Duce's political authority. Such a challenge only began to be considered seriously when the war in the Mediterranean turned definitively against the Axis from autumn 1942,[3] and, even then, the military proved unwilling to act until the King finally decided to take the lead in dismissing Mussolini. In the light of these facts, independent action by the armed services during the non-belligerence period to topple the Duce must surely be effectively discounted, at least in the absence of any attempt by Mussolini to drag Italy into the war before the spectacular Nazi victories of April and May 1940 had weakened the practical arguments for opposing intervention.

Thus any British attempt to engineer Mussolini's removal from power in 1939-40 would almost certainly have had no chance of success. Indeed, this was probably the case as late as autumn 1942 at least, something of which the British Government, to its credit, was aware.[4] London's decision to eschew trying to bring about a change of leadership in Rome must surely, therefore, be seen as the correct one within the context of the general approach adopted by the British towards non-belligerent Italy.

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[1]Mack Smith, Italy and its Monarchy, pp.297, 291.

[2]Mack Smith, Mussolini's Roman Empire, pp.184-5.

[3]Lamb, Mussolini, pp.305-7.

[4]Varsori, A., 'Italy, Britain and the Problem of a Separate Peace during the Second World War' in Journal of Italian History, Vol. 1 (1978), p.466.

A Political Deal with Rome

A second policy option rejected by the British the prospects of which must be considered was a wholehearted attempt, before spring 1940, to buy permanent Italian neutrality or alliance by means of political and/or territorial concessions. During spring 1940, as we have seen, the Allies did make formal efforts to reach a deal with Rome based upon such concessions, but the fact that these coincided with, and, indeed, were largely prompted by, the stunning German military successes that secured Nazi predominance in Europe and opened the way for Mussolini to enter the war effectively guaranteed their failure. Circumstances earlier in the war, however, were less unfavourable for a deal between Italy and the western European powers, and, indeed, it will be remembered that the French did tentatively offer in early September 1939 to discuss Italy's claims. The fact that Paris made no formal proposals and was content to leave it to the Italians to take the initiative in actually opening talks, however, indicates that this did not really constitute a concerted effort to reach a deal with Rome. Instead, the Allies swiftly decided that no major attempt would be made to secure a new Treaty of London, a decision, as has been shown, which was based upon solid, rational grounds, particularly the belief, reiterated by Halifax after Italy had entered the war, that the western European democracies could never have offered the Duce enough to tempt him into an agreement.[1] It remains interesting and important to consider, though, what would have happened had the Allies ignored these grounds and actively tried to bribe the Italians away from the Axis during the Phoney War period. In the First World War, the Allies had, of course, managed to reach an agreement with the Italian Government even though it had begun the conflict formally allied to the Central Powers, and Rosaria Quartararo has claimed in her book, Roma tra Londra e Berlino, that, had the British and French seriously endeavoured before spring 1940 to reach a deal with Rome based upon political and territorial concessions, they would have

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[1]Dilks (ed.), Cadogan Diaries, pp.291-2.

enjoyed similar success. According to Quartararo, Mussolini was ready to denounce the German alliance and transform non-belligerence into permanent neutrality, or even into armed intervention on the Anglo-French side. This is an interesting argument, but one that is presented in a fundamentally unconvincing manner. Quartararo repeatedly makes assertions for which there is no or little evidence, such as that the Italian aid sent to Finland was primarily an attempt by Mussolini to strengthen links with the Allies. She also ignores or discounts the wealth of evidence indicating the Duce's commitment to the Axis and his burning desire to enter the war on Germany's side, and even makes a number of outright factual errors, such as that the British were desperate to intervene in the Balkans and worked to win the unwilling French round to their point of view on the issue.[1] To be sure, Quartararo's thesis can not be definitively disproved, as the Allies never made a serious attempt to do a deal with the Duce before spring 1940, but the evidence overwhelmingly suggests that, if they had, they would have found Mussolini totally opposed to any agreement to join the western European powers or turn non-belligerence into permanent neutrality.

Certainly, there are no serious indications that the Duce wanted to do a bilateral deal with the Allies at any point during the non-belligerence period. Shortly after declaring neutrality in 1914, the Italian Government had begun actively to solicit for offers from the western European powers for its support,[2] but Mussolini had no intention of following that precedent. Ciano noted early in the war that 'Whenever he [Mussolini] reads an article that compares his policy with that of 1914 he reacts violently in favour of Germany',[3] and Bastianini's only instructions from the Duce on taking up the post of ambassador in London were to adopt a 'reserved

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[1]Quartararo, Roma, pp.519-625.

[2]Overy & Wheatcroft, p.146.

[3]Ciano, Diary, 7 September 1939, p.148.

cordiality'.[1] Nor was Mussolini's unwillingness to enter into political talks with the Allies merely an indication of reluctance to take the first step, for it will be remembered that when the French took the lead at the very start of the war, by tentatively offering the possibility of discussions on some of Italy's claims against France, this elicited a negative response from Rome.

There were several reasons why the Duce was opposed to a deal with Britain and France. In regard to an agreement transforming non-belligerence into permanent neutrality, one must consider Mussolini's burning desire to lead Italy in war and the enormous discomfort he felt at having to remain aloof from the conflict for as long as he did. As we have seen, his aim was always to fight at some point, barring only the possibility of him taking the lead in organising a general peace settlement before the war reached a critical stage. The Duce and his regime had surely espoused the virtues of war too loudly and too frequently in the twenty years of Fascist rule to sign an agreement renouncing it as a policy option.[2]

Any deal struck between the Allies and Italy before spring 1940, then, would almost certainly have had to encompass Italian intervention on the Anglo-French side in order to sate Mussolini's desire to lead his country in war. This would have required an enormous *volte face* on the part of the Italian Government, yet Rome had abandoned its alliance with the Central Powers in the First World War in favour of intervention on the Allied side, so why not again?

Largely because the position of Italy amongst the combatants in 1939-40 was very different than it had been in 1914-15. To be sure, Italy had renewed the Triple Alliance with Germany and Austria, first made in 1882, as late as 1912, but it had moved to a more independent position amongst the European Great Powers in the first decade of the twentieth century,

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[1] '*cordialità riservata*'; Bastianini, pp.69-70.

[2] Gallo, pp.310-12.

improving its relations with the British, Russians, and particularly the French, to whom, in 1902, Rome had promised neutrality in the event of France being attacked or otherwise forced into war.[1] During the same period, Italian relations with Austria had deteriorated sharply, due to friction over the Balkans and Vienna's continued rule over the predominantly Italian Trentino, and this had even resulted in a naval and arms race between the two supposed allies.[2] When war had broken out in 1914, therefore, Rome had been, if anything, more inclined towards *the Allies*, and, although the Italian Government had entered into negotiations with Vienna *as well* as the Entente powers in 1914-15, these former had been with a view to cementing Italian neutrality rather than intervening on the side of the Central Powers and had primarily been seen as a means of allaying Austrian and German suspicions as to Italy's intentions and strengthening Rome's bargaining position with the Allies.[3]

In the First World War, then, intervention on the Allied side had perhaps been the most likely path for the Italian Government to take once it had declared its neutrality. In 1939-40, however, Mussolini's regime was far more closely tied to Nazi Germany than the Italian Government in 1914-15 had been to the Central Powers, and further alienated from the western European democracies. For the Duce to have allied Italy with Britain and France would therefore have involved a far greater reversal of policy than that effected by Rome in

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[1]Mack Smith, Italy: A modern history, pp.263-5, Seton-Watson, C., Italy from Liberalism to Fascism 1870-1925 (London, 1967), p.328 & Renzi, W.A., 'Italy's Neutrality and Entrance into the Great War: A re-examination' in American Historical Review, Vol. 73 (1967-68), p.1416.

[2]Renzi, 'Italy's Neutrality', p.1417 & Mack Smith, Italy: A modern history, pp.266-7.

[3]Valiani, L., 'Italian-Austro-Hungarian Negotiations 1914-1915' in Journal of Contemporary History, Vol. 1 (1966), pp.113-36, Lowe, C.J. & Dockrill, M.L., The Mirage of Power - Vol. 2: British foreign policy 1914-22 (London, 1972), p.176 & Renzi, 'Italy's Neutrality', p.1427.

the Great War and this was a step the Duce was not remotely inclined to take, even during his anti-German moods.[1]

Although it may well be true that Mussolini lacked attachment to principles,[2] and even that, in his relationship with Hitler, 'Each saw the other as an instrument in his own power game; manipulation rather than friendship bound them together',[3] there were several reasons why the Italian dictator was never likely to make a definitive break from Germany. First, much as he was, in reality, nothing of the sort, the Duce was most keen that he should be perceived as a man of honour and principle. As Ciano told his PPS, Anfuso, 'The thing that torments him the most is to be seen as a traitor: an Italian traitor',[4] and to have struck a deal with the Allies would undoubtedly have been, and been seen as, a betrayal of the alliance with Germany. Second, as Loraine subsequently pointed out in reflecting upon the failure of his mission in Italy, Mussolini 'could not abjure the Axis or the alliance [with Germany] without a humiliating loss of prestige'.[5] The trend of Italian foreign policy since the mid 1930s had been to move ever closer to Nazi Germany, so to have suddenly effected a *volte face*, especially within a year of the signature of the Pact of Steel, would have done enormous damage to the credibility of the Duce as a leader, and, indeed, to the integrity of Italy as a diplomatic partner. A third reason why Mussolini was not at all inclined to do a deal with the Allies stemmed from his view of global politics. As Loraine again later pointed out,

> a strong affinity existed between the Fascist and Nazi regimes owing to the similarity of their structure,

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[1]De Felice, Mussolini, p.678.

[2]Mack Smith, Mussolini's Roman Empire, p.1.

[3]Overy & Wheatcroft, p.169.

[4]*'La cosa che lo tormenta di più è di passare per traditore: italiano-traditore'*; Anfuso, F., Da Palazzo Venezia al Lago di Garda (1936-1945) (Bologna, 1957), p.114.

[5]PRO FO 1011/69, 'Report on Mission to Italy' by Loraine, 12 August 1940, para.154.

> doctrines and methods, the basic resemblance of their outlook on European and world politics, and the belief which they so studiously fostered not only in the effeteness and obsolescence of...the West, but also in the necessary collapse of democratic and liberal forms of government under the forceful thrust, political and military, of the totalitarian States, led by their resolute dictators, rejuvenated, toughened and disciplined by the rigid internal hegemony of a single party.[1]

This shared *Weltanschauung* not only provided a psychological bond between the Duce and the Nazis, but, because it was espoused as official Fascist doctrine, had to be seen by the Italian people to be true. This gave Mussolini yet greater reason to hope for the defeat of the western European powers, especially if Italy could play a part in it, and led him to wonder whether his regime could survive an Allied victory, even if Italy joined their side.[2]

In the final analysis, however, all three of the above reasons Mussolini had for not abandoning the Axis in favour of a deal with the Allies could possibly have been overcome had the temptation been great enough. They could perhaps all have been dealt with, for example, by a propaganda campaign stressing how Berlin's behaviour since the signing of the Pact of Steel had created irreparable breaches in the alliance and demonstrated that the Nazi regime was in fact different than the Fascist one. Perhaps the key reason, therefore, why the Duce was never likely to be interested in a deal with the Allies was fear of German military might.[3] This was certainly a major factor behind his refusal to consider the Anglo-French offers to discuss Italy's claims in late spring 1940, but, even before this time, Mussolini was fearful of acting too obviously in favour of the Allies in any way in case this brought about a German invasion and conquest of Italy.[4] Fear

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[1]PRO FO 1011/69, 'Report on Mission to Italy' by Loraine, 12 August 1940, para.48.

[2]Cliadakis, 'Neutrality', p.180.

[3]André, 'La Politica Estera', p.117.

[4]Alfieri, D., Due Dittatori di Fronte (Milan, 1948), p.40.

of German retribution for betraying the Axis was not just limited to the Duce, moreover, but was widely shared, and played an important part in preventing Ciano and those others most opposed to the Nazi alliance during the non-belligerence period from trying as vigorously as they might have to undermine it.[1]

The only thing that would have removed Italian fear of Germany as an obstacle to a deal between Rome and the Allies was a clear demonstration from the western European powers that they were more than a match militarily for the *Wehrmacht*, and so, as Gamelin was aware, Italy was extremely unlikely even to consider breaking from Germany until it had seen the initial results of the first major clash of arms between the Germans and the Allies.[2] In the First World War, the Italian Government had only begun to solicit offers for its support in London in the wake of the Allied victory at the First Battle of the Marne, which halted the German offensive into France,[3] and it had not been prepared to commit Italy to intervention until events in early 1915 had made it confident that the Allies were going to win.[4] In the Second World War, however, the Allies provided very little, if any, hard evidence before spring 1940 to suggest that they were likely to defeat Germany, and so the possibility of a political deal being struck with Rome in the early stages of the conflict can effectively be discounted.

Thus, contrary to the thesis put forward so unconvincingly by Rosaria Quartararo, there was no realistic prospect, even before the stunning German military successes of April and May 1940, of the Allies buying either permanent Italian neutrality or alliance by means of political and/or territorial concessions. This being the case, the British Government was

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[1]Knox, Mussolini Unleashed, pp.48-9.

[2]Villelume, Journal, 12 October 1939, p.64.

[3]Lowe & Marzari, pp.138-9.

[4]Lowe & Dockrill, p.177.

surely wise in its refusal before spring 1940 to consider a political agreement with Rome unless the Italian Government took the first step, and, indeed, prudent during spring 1940, when reversing that policy, not to offer specific, major concessions.

A Hard-line Policy

The final policy option which was open to the British and French but which they elected not to pursue was the adoption of a hard-line approach in dealings with Rome, involving such measures as a more aggressive military policy in the Mediterranean and Middle East and a much firmer position in regard to the blockade. The rationale behind such a stance is obvious; if the Italian Government was extremely reluctant to enter a major European war in 1939, there was clear potential for the Allies to work on Italian fear of fighting them in the hope of raising it to such a pitch that intervention became even less desirable to the Italian leadership. As we have seen, however, it was only in spring 1940 that the western European powers made any real attempt to exploit Italian concern at fighting them, and the limited measures introduced then were totally overshadowed by the *Wehrmacht*'s stunning successes.

The British Government certainly had good reasons for eschewing a hard-line policy towards Italy. As we have seen, it believed that the growth in Anglo-French military power following the introduction of full mobilisation would make Rome increasingly reluctant to fight the Allies as time went by anyway, thus rendering any flaunting by the western European powers of their might unnecessary. Moreover, any attempt to play upon Italian fears was bound to infuriate Mussolini, his government, and the Italian people, and thus threaten the hope held by many in Britain that Italy would gravitate increasingly towards the Allies as a result of German insensitivity and anti-German feeling in the country.

Perhaps the greatest objection to a hard-line policy towards Italy, though, was the concern that, by angering the Italian

leadership and risking rallying the anti-war Italian public behind its bellicose Duce, it would precipitate an intervention that might not otherwise take place. Not every important British figure shared this apprehension, however. Wavell, for example, who favoured a tough approach to Italy throughout the non-belligerence period, later commented, in somewhat exaggerated language,

> I am sure that a more robust attitude towards Italy during the period of waiting instead of our weak-kneed and apologetic attempts at appeasement would certainly not have increased the danger of war and might perhaps have lessened it. And our preparations would have been less hampered.[1]

It is impossible to prove definitively how Rome would have reacted to a firm Allied stance, of course, but it is perhaps probable that Wavell was right. The decision for non-belligerence had, after all, been based solely upon Italy's military unpreparedness for a major war against Britain and France, and that restriction would have remained in force, at least until late spring 1940, when the German successes changed the situation radically, regardless of the policy adopted by the western European powers. There is reason to believe, moreover, that Mussolini, much as he would have resented it, would have been impressed by a hard-line Anglo-French approach, as he had clearly been unnerved whenever the western European democracies had toughened their stance towards Italy in the past. In autumn 1935, for example, he had responded to the British reinforcement of the Mediterranean in anticipation of Italy's invasion of Abyssinia by privately reassuring London that he meant no harm.[2] The Duce had been similarly perturbed by Britain's introduction of conscription and the Anglo-French agreements with Greece and Turkey in spring 1939, for he had whined about western European aggression towards Italy.[3]

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[1]As cited in Connell, pp.234-5.

[2]Mack Smith, Mussolini's Roman Empire, p.69.

[3]Mack Smith, Mussolini's Roman Empire, p.156.

Even if a hard-line Allied approach from autumn 1939 had intimidated Rome and thereby strengthened Italian neutrality during the Phoney War, however, it seems fair to argue that the German military successes of spring 1940 were so startling that they would have diminished Italian fear of fighting the western European powers just as effectively as they did in reality and that Italy would therefore still have intervened in or around early summer 1940. The Allied war effort in the opening months of the conflict might well have benefited from not having to make concessions to conciliate Italy, but, given that the British made every effort to safeguard their vital interests while pursuing a policy of goodwill and compromise towards Rome anyway, the advantage of a hard-line policy that successfully intimidated the Italians during the Phoney War over the policy actually adopted by London would not have been that great.

The possibility that Mussolini would have responded to a hard-line Anglo-French policy by attempting to drag Italy into the war before spring 1940 can not be discounted, moreover, for, as one historian has put it, the Duce 'could overreact if he found Italy's or his own prestige called in question, and in such moments could gratuitously take up a position from which it was hard to retreat without loss of face'.[1] Had the Allies decided to issue an ultimatum to Rome at the start of the war to denounce the Axis and declare itself properly neutral, for example, or had they insisted upon draconian guarantees of Italian neutrality, the Duce would surely have had to suppress his fears about fighting and endeavoured to declare war.

Given the strength of anti-war feeling in Italy in the autumn of 1939, however, the possibility can not be ruled out that an attempt to enter the war might have brought about a revolution or a coup. Bocchini, the Chief of Police, told Ciano at the end of August, for example, of his concern about 'uprisings in connection with the preservation of neutrality' in which he expected 'the carabinieri and police would make common cause

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[1]Mack Smith, Mussolini's Roman Empire, p.83.

with the people'.[1] Alternatively, Italy's military leaders, whose fear of fighting the western European powers at this time was compounded by the Italian intelligence service's marked exaggeration of Anglo-French military strength throughout the Mediterranean and Middle East,[2] might have threatened to oust Mussolini from power rather than embark upon a war which they saw as suicidal. In such circumstances, the Duce would either have fallen, had to back down, or tried to impose his will upon an unwilling public and/or armed services by force, any of which would have been greatly to the Allies' benefit in terms of reducing Italy's ability or willingness to intervene. In the light of what has already been said above about the possibility of Mussolini being toppled, though, it is perhaps far more likely that an attempt by the Duce to drag Italy into the war in autumn 1939 in response to a hard-line Allied stance would have met little real opposition, and that Italy would thus have been involved militarily from the start of the war.

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Thus other policy options open to the British but rejected by them had no more realistic a chance of keeping Italy out of the war, let alone winning its support, than the approach actually adopted by London, at least in the light of how the war against Germany developed in the spring of 1940. These options all carried dangers, moreover, and their rejection was based upon solid, rational grounds, and so, in the final analysis, one is drawn to the conclusion that the broad policy chosen by the British Government for attempting to preserve Italian neutrality for as long as possible was, in all probability, the wisest and most promising available to it.

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[1]Ciano, Diary, 30 August 1939, p.140.

[2]Schreiber, Stegemann & Vogel, p.78.

Final Reflections on British Policy Towards Italy

Although the general policy actually adopted towards Italy by London was probably the most prudent in terms of trying to *maintain* Italian neutrality for as long as possible, one can nevertheless argue that the British *would have been* better advised to have taken a different approach to the question of Italy's non-belligerence. This may initially seem a somewhat bizarre comment to make at this point, but it is not, for there is good reason to contend that, had the Allies forced Italy to become involved militarily from the start of the war, rather than worsening their predicament, as London and Paris feared it would, it would have been to the western European powers' great advantage.

For a start, Italian involvement would have brought the benefits claimed for it before the war, most particularly increased economic pressure upon Germany caused by the need to prop up the Italian war effort. Furthermore, in the light of Italy's overall military ineffectiveness and vulnerability to British and French attack from June 1940, in conditions far less favourable to the Allies than existed in autumn 1939,[1] the likelihood is surely that Italian involvement from the start of the war would not, in fact, have added greatly to the Allies' military burden and might well have opened the way for the western European powers to achieve early military successes. Indeed, it is possible that a string of defeats for Italy before Germany had dramatically gained the upper hand against the Allies might have changed the entire course of the war. Mussolini might, for example, have been persuaded to seek peace, or his regime may even have been toppled. It is perhaps more likely, however, that German intervention in support of Italy would have prevented such drastic action, though this in itself would have been of great benefit to the

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[1]Consider, for example, the impunity with which French naval and British air forces bombarded Italy in June 1940, the crippling of the Italian fleet at Taranto in November 1940, the two month British campaign in winter 1940-41 which destroyed the Italian army in Libya and captured Cyrenaica, or the conquest of Italian East Africa within five months in early 1941.

Allied cause, as it would have increased the strain on the Reich's war effort yet further.

To take the speculation one step further, it is perfectly possible that in seeking to relieve Anglo-French pressure on Italy, the Germans would have launched their offensive in the West in 1939, as indeed Hitler was keen to do anyway.[1] The significance of this is that the German plan before mid February 1940 was a 'pedestrian replay of the Schlieffen plan'[2] which the Allies were expecting and had deployed their forces to counter. The probable outcome of the Nazi assault in the West in these circumstances would therefore have been a stalemate and war of attrition as in 1914.[3] The impact this would have had upon the war is very difficult, if not impossible, to predict, though it seems fair to suppose that the conditions which resulted would have favoured the Allies rather more than those which obtained in the wake of the actual German offensive in May 1940.

Nor is this all this speculation merely fanciful, for it must be remembered that the British and French did adopt the idea of the Mediterranean offensive and consider forcing an unwilling Italy to fight during the late spring and early summer of 1939. Had the Second World War broken out then, or had, say, Admiral Backhouse, a staunch supporter of the Mediterranean offensive, not died and been replaced by Pound, a fierce opponent, it is not inconceivable that the Italians would have been compelled to enter the war from the beginning.

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[1]Mercer, D. (ed.), Chronicle of the Second World War (Hants., 1990), pp.26, 30, 36. Hitler originally intended to attack in the West in November 1939, ordering preparations to be made in early October and even setting 12 November as the date for the commencement of the attack before bad weather resulted in the operation being postponed just five days before it was due to start.

[2]Murray, 'Role of Italy', p.48.

[3]Deighton, L., Blitzkrieg: From the rise of Hitler to the fall of Dunkirk (London, 1979), pp.243-55.

As we have seen, however, the idea of the Mediterranean offensive lapsed in mid to late summer 1939, as did any thought of forcing Italy into the war if it wished to remain aloof from it. One historian has commented on this that it was

> one more sad commentary on a British leadership, military as well as civilian, which saw danger in every policy, which preached caution at every turn, and which was completely unwilling to take the slightest risk in defence of its far flung interests.[1]

This is perhaps too harsh a judgment, though, as the lapse of the Mediterranean offensive and the decision to favour Italian neutrality in late summer 1939 was not based upon cowardice or lack of moral fibre, but upon solid, rational arguments which were accepted not just by the great majority of policymakers in London, but by the bulk of ministers and military men in Paris also. To be sure, in reaching their decision, the British and French, though aware of Italian military deficiencies, nevertheless exaggerated the true capabilities of Italy's armed forces, an error of profound significance, but, in defence of London and Paris, Berlin misjudged Italian capabilities also.[2] Perhaps the British, French and Germans all fell victim to Mussolini's incessant bluff, posturing and propaganda about the supposed might of Fascist Italy, though maybe more likely in explaining the widespread exaggeration of Italian military capabilities is the fact that Italy's overall military performance once it entered the war was so poor that one must wonder whether anyone, other than the most bigoted Italophobe, truly believed before the war that the Italians, members, albeit minor ones, of the elite group of so-called Great Powers, would prove as militarily impotent as they actually did.

In any event, more advantageous as it might have been for the Allies to have forced the Italians to enter the war in autumn 1939, the fact that Italy spent the first nine and a half

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[1]Murray, 'Role of Italy', p.48.

[2]May, E.R., 'Capabilities and Proclivities' in May, E.R. (ed.), Knowing One's Enemies: Intelligence assessment before the two world wars, (Princeton, 1984), p.511.

months of the conflict as a non-belligerent and intervened in June 1940 ultimately proved to be far from disastrous, at least for the British. Having decided to favour Italian neutrality, the policy London adopted for preserving it did little harm to Britain's war effort or vital interests, as we have seen. The stoicism with which the British, under Churchill's resolute leadership, generally greeted Italian intervention, moreover, was subsequently shown to be more than justified. With the fall of France in late June 1940, Britain's decision to fight on defied logic. Germany dominated the Continent and there was no obvious way in which the British could break that domination without an extremely lengthy and massively costly struggle. Furthermore, Britain itself soon came under attack from the *Luftwaffe* and its supply lines were relentlessly assaulted by U-boats and raiders. In this darkest of hours, the British desperately needed reasons to carry on with the struggle. The hope of American intervention was perhaps the greatest of these, but that did not come until the end of 1941. The RAF's bombing campaign against Germany and efforts to encourage rebellion amongst the subjugated peoples of Europe were others, as they enabled the British to believe that they were at least fighting back, but these had little impact in the early years of the war. The intervention of Italy, therefore, was perhaps crucial to Britain's willingness to stay in the war in late 1940 and early 1941. This was because it provided the British with a theatre of operations in which all its armed forces could fight with a good chance of success, something which was crucial to the maintenance of morale. Attlee later commented, for example, 'People sometimes forget...how greatly Wavell's victory over the Italians [in 1940-41] raised our spirits when things everywhere were very dark',[1] and another Prime Minister, Harold Macmillan, noted in his memoirs that Wavell's 'successes and our naval victories over the Italians at Taranto and Matapan gave us some gleams of hope in a hard

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[1]Attlee, C.R., As It Happened (London, 1954), p.138.

winter'.[1] Italian involvement continued to be important even after American entry into the war, moreover, as the Mediterranean and Middle East was the only theatre in which Allied land forces could, or at least chose, to fight the Germans before mid 1944. Given that Germany derived almost no concrete benefits from Italian intervention, it is little wonder that Hitler later looked back on it with regret.[2]

Thus, even though events might have turned out more favourably for the British, and certainly for the French, had Italy been forced to fight in autumn 1939, the fact that it was not, and the failure of Allied policy to prevent Italian intervention in early summer 1940, ultimately proved to be most advantageous to the British war effort from mid 1940 on. Perhaps it is sometimes better to fail than to succeed.

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[1]Macmillan, H., The Blast of War, 1939-1945 (New York, 1967), p.66.

[2]Mack Smith, Mussolini's Roman Empire, p.216.

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